

11 PAGE DOCUMENT

BY-LAWS
OF
GEWONT TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

The name of the corporation is Gewont Townhomes Homeowners Association, Inc., (hereinafter referred to as the "Association"). The principal office of the corporation shall be located at 126 South Coulson, Fruita, Colorado 81521, but meetings of members and directors may be held at such places within the State of Colorado, County of Mesa, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" shall mean and refer to Gewont Townhomes Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions and shown on the plat for Gewont Townhomes Subdivision and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Elements" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Elements shall include any interest which the Association may acquire in any lands, any easements granted to the Association and all installations, including personalty, existing for the common use of Association members.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the execution of any Common Area.

Section 5. "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties.

Section 6. "Declarant" shall mean and refer to Jozef Gewont and Halina Gewont, their successors and assigns if such assigns should acquire all of the Properties from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the Mesa County Clerk and Recorder in Book 4718, Page 742.

Section 8. "Member" shall mean and refer to those persons who are Owners of Lots within the subdivision and entitled to membership as provided herein and in the Declaration.

Section 9. "Architectural Control Committee" shall mean the committee appointed by the Board for the control of architectural styles and construction within the Properties.

ARTICLE III MEETING OF MEMBERS

SECTION 1 - Annual Meeting:

The first annual meeting of the Members shall be held at such time and place as determined by the Declarant, but shall be within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held during the month of February on a date and at a time set by the Board of Directors of the Association.

SECTION 2 - Special Meetings:

Special meetings of the Members may be called at any time by the President or by the Board of Directors or upon written request of twenty percent (20%) of the Owners of Lots within the Subdivision who are entitled to vote.

SECTION 3 - Notice of Meetings:

Written notice of each meeting of the Members shall be given by, or at the direction of the Secretary or the Secretary's designee, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days and not more than fifty (50) days before such meeting to each Member entitled to vote on the date of such mailing, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. A notice shall also be physically posted in a conspicuous place within the subdivision. Notices may also be given by electronic means to owners who request notice by such electronic means and furnish their email address. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove an officer or member of the Board and the purpose of the meeting.

SECTION 4 - Quorum:

Until such time as one or more Lots have been sold, a quorum shall consist of Jozef and Halina Gewont. Thereafter, the presence at the meeting of twenty percent (20%) of the Members entitled to vote, or of proxies entitled to vote, 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 the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a proper quorum is present or represented.

SECTION 5 - Proxies:

At all meetings of Members, each Member may vote in person or by a duly executed proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically terminate upon conveyance by the Member of his or her Lot or within eleven (11) months after it is dated, unless it provides otherwise. A proxy is void if it is not dated or purports to be revocable without notice. A proxy is not valid if it is obtained through fraud or misrepresentation. If a Lot is owned by more than one Owner, each Owner may register a protest to the casting of votes by the other Owners through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this section except by actual notice to the person presiding over a meeting of the Association. The Association 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 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. Any action of the Association based on the acceptance or appointment or proxy appointment revocation under this section shall be valid unless a court of competent jurisdiction determines otherwise.

ARTICLE IV
BOARD OF DIRECTORS

SECTION 1 - Number:

The affairs of this Association shall be managed by a Board of Directors. Initially, the Board shall consist of two members who shall be the Declarant (Jozef and Helena Gewont). During this period of Declarant Control, the Declarant or persons designated by the Declarants may appoint and remove the officers and members of the Board of Directors. However, this period of Declarant Control terminates no later than the earlier of 60 days after conveyance of 75% of the units that may be created to unit owners other than the Declarant (12 units), or two years after the last conveyance of a unit by the Declarant in the ordinary course of business. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the period of Declarant Control, but in that event, the Declarant may require for the duration of the period of Declarant Control that specified actions of the Association or Execute Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they be effective. Notwithstanding the foregoing, not later than 60 days after conveyance of 25% of the Units, the board shall be expanded to three members, and one member of the Board of Directors must be elected by Unit Owners other than the Declarant. Within 60 days after 75% of the Units are sold to persons other than the Declarant, the Unit Owners shall select the members of the Board of Directors, a majority of whom must be Unit Owners other than the Declarant or designated Unit Owners other than the Declarant. The Board of Directors shall elect the officers, and the board members and officers shall take office upon election.

SECTION 2 - Term of Office:

At the first annual meeting after the Board is expanded to three members, the members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years. At each annual meeting thereafter the members shall elect at least one Director for a term of three years.

SECTION 3 - 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 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.

SECTION 4 - Compensation:

Directors shall serve without compensation, except that Directors may receive compensation for services rendered to the Association and reimbursed for actual expenses incurred in the performance of their duties.

SECTION 5 - Action Taken Without a Meeting:

The Board of Directors shall not have the right to take any action in the absence of a meeting. All meetings of the Board shall comply with the provisions of the Declaration and the Colorado Common Interest Ownership Act ("CCIOA") regarding notice to and open attendance and participation by Members of the Association.

ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS

SECTION 1 - Nominations:

At such time as there are three Directors, nominations for election to the Board of Directors shall be made by Members from the floor at the annual meeting of Members or in writing to the Board not more than thirty (30) days prior to the meeting.

SECTION 2 - Election:

Contested positions to the Board of Directors shall be by secret written ballot. If any Board position is not contested, such member may be elected by acclamation. At such election the Members or their proxies may cast one vote per Lot. The person(s) receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

SECTION 1 - Regular Meetings:

Regular meetings of the Board of Directors shall be held monthly, or as determined by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. All requirements under law relating to meetings shall be complied with. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Meetings are open to the Members and agendas shall be made available to members or their representatives for examination. The Board may go into closed session as outlined in Article IV, Section 4 of the Declaration and under Colorado law.

SECTION 2. Special Meetings:

Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Meetings are open to the members and agendas shall be made available to Members or their representatives for examination. The Board may go into closed session as outlined in Article IV, Section 4 of the Declaration and under Colorado law.

SECTION 3 - Quorum:

A majority of the number of Directors present in person or by telephone shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present in person or by telephone at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1 - Powers.

The Board of Directors shall have power to:

- a. adopt and publish rules and regulations governing the use of the Common Elements and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- b. suspend the voting rights and the right of use of the recreational facilities of a Member during any period in which such member shall be in default in the payment of any assessment levied by the Association. The right of use of the recreational facilities may

also be suspended after notice and hearing, for a period not to exceed 60 days per infraction of published rules and regulations;

- c. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- d. 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 or from any annual meeting without giving reasonable prior notification to the Board;
- e. employ a manager or such other employees or independent contractors as they deem necessary and to prescribe their duties;
- f. control and manage the irrigation water for the properties by establishing water charges, watering schedules and consumptive amounts including total consumption and gallons per minute;
- g. appoint members to the Architectural Control Committee and assign their duties;
- h. levy periodic financial assessments to the members as may be reasonably required for emergencies or to maintain a positive cash flow. The process for adopting or amending the budget shall be followed as provided for in Section 3 of Article VI of the Declaration and under C.R.S. § 38-33.3-303(4)(a) before any assessments are made; and
- i. undertake all other powers of a Board of Directors under law.

SECTION 2 - Duties:

It shall be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all acts and corporate affairs of the Association and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by any of the Members who are entitled to vote;
- b. supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- c. as more fully provided in the Declaration, to:
 - 1. fix the amount of the annual assessment against each Lot in accordance with the Declaration and Colorado law;

2. send written notice of each assessment to every Owner subject thereto in accordance with the Declaration and Colorado law; and
 3. foreclose the lien against any property for which assessments are not paid or to bring an action at law against the owner personally obligated to pay the same in accordance with the Declaration and Association Policies.
- d. issue, or to cause an appropriate officer to issue, upon demand by an Owner, his or her designee, or a holder of a security interest in a Unit or its designee, delivered personally or by certified mail, first class postage prepaid, receipt to the Association's registered agent, a written statement setting forth the amount of unpaid assessment currently levied against such Owner's Unit. The statement shall be furnished within fourteen (14) calendar days after receipt of such request and is binding on the Association, the Board of Directors and every Owner. If no statement is furnished to such Owner or holder of a security interest or his or her designee, delivered personally or by certified mail, first class postage prepaid, return receipt requested to the inquiring party, then the Association shall have no right to assert a lien upon the Unit for unpaid assessments which were due as of the date of the request. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- g. cause the private areas, Common Elements, trail and easements to be maintained; and
- h. adopt and promulgate all policies made and regulations for the Association as required by law; and
- I. undertake all duties and responsibilities of the Association as required by law.

ARTICLE VIII OFFICERS AND THEIR DUTIES

SECTION 1 - Enumeration of Offices:

The Directors of the Association shall serve as its officers. So long as there are only two Directors, the officers shall be the President and Secretary/Treasurer. At such time as the Board of Directors is expanded to three (3) members, the officers of this Association shall be a President,

a Vice-President and a Secretary/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 immediately after the annual meeting of the Members. The Board members shall elect who among them shall serve in which office.

SECTION 3 - Term:

The officers of this Association shall be elected annually by the Board members and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or shall otherwise be 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 (not to exceed one year), have such authority, and perform such duties as the Board may, from time to time, determine. The Board may appoint persons who are not Members of the Association to assist in the officers, especially the Secretary/Treasurer. However, such persons shall not be officers of the Association.

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 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 - 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 replaces.

SECTION 7 - Multiple Offices:

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTION 8 - 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 from meetings of the Board of Directors are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes; and shall be in charge of the day-to-day affairs of the Association.
- b. **VICE-PRESIDENT** - The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **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; keep appropriate current records showing the Members of the Association together with their current addresses and telephone numbers, and shall perform such other duties as required by the Board.
- d. **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 co-sign with the president all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting.
- e. **ANY OFFICER** - Any officer of the Association may prepare, execute, certify and record amendments to the Declaration.

ARTICLE IX COMMITTEES

The Board of Directors of the Association shall appoint an Architectural Control Committee, as provided in the Declaration and as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation

and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost. The Association shall comply with all requirements concerning books and records as contained in Article VIII, Sections 7 and 13 of the Declaration.

ARTICLE XI ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annum 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 within ten (10) days from the date it is due shall be delinquent. and the Board may assess a late fee in an amount determined by the Board if not paid by such date. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate as set forth in the Declaration, or as determined by the Board, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. The Association may add as an additional charge all interest, costs and reasonable attorney's fees incurred in collecting any amounts owed. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the irrigation water, Common Elements or abandonment of his Lot. The record Owners of any Lot are personally liable for all maintenance charges owed or assumed during such time of ownership.

ARTICLE XII CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: Gewont Townhomes Homeowners Association, Inc.

ARTICLE XIII AMENDMENTS

SECTION 1 - These By-Laws may be amended from the date they are recorded in the office of the Clerk and Recorder of Mesa County, Colorado, at a regular or special meeting of the Board, by a vote of two-thirds (2/3) of the members of the Board.

SECTION 2 - In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV
MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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.

IN WITNESS WHEREOF, we, being all of the directors of Gewont Townhomes Homeowners Association, Inc, have hereunto set our hands this 26 day of August, 2008.

Jozef Gewont
Jozef Gewont, Director

Halina Gewont
Halina Gewont, Director

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of Gewont Townhomes Homeowners Association, Inc., a Colorado corporation, and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 2008.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____ day of _____, 2008.

SECRETARY