

6/18/2002

RESTATED BYLAWS #2
OF
OURAY RIVER PARK TOWNHOMES ASSOCIATION

ARTICLE 1.
OBJECT

1.1. **PURPOSE.** The purpose for which this non-profit corporation, which is herein referred to as the Association, is formed is to govern the property situated in the County of Ouray, State of Colorado, and which property is more particularly described in, and subject to the provisions of, that certain Declaration of Covenants, Conditions and Restrictions recorded April 18, 1983, in Book 201 at pages 602-609, Ouray County Public Records. Said property, together with all improvements located thereon, is hereinafter referred to as the "Property".

1.2. **DEFINITIONS.** The following terms shall have the same meaning herein as such terms have in the Declaration of Covenants, Conditions and Restrictions referred to above: "Common area"; "Member"; "Unit"; "Declarant"; "Declaration"; "Annual assessments", and "Special assessments". "Common expenses" shall mean annual assessments, special assessments and expenses unanimously agreed upon as common expenses by the Owners. "Common facilities" shall mean any improvements placed or constructed upon the common area for the use and benefit of all Unit Owners. "Management Agreement" shall mean agreement between the Association and a management firm pursuant to which the board of directors of the Association has delegated certain of its obligations under the Declaration and these Restated Bylaws; the management firm shall be the entity to whom such obligations have been delegated pursuant to the Management Agreement. "Undeveloped Units" shall mean those certain four proposed Units along Highway 550 (southerly of the existing Units) referred to in the Plat recorded as Reception No. 133620 on April 18, 1983.

1.3. **OWNER SUBJECT TO BYLAWS.** All present or future owners, tenants, or any other person that might use in any manner the facilities located on the Property are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any townhome on any Unit of the Property, or the mere act of occupancy of any of said Units or townhomes located thereon, will signify that these Bylaws are accepted, ratified, and will be complied with.

1.4. **RESTATEMENT.** These Restated Bylaws #2 amend and restate the Bylaws originally adopted on April 18, 1983 and the Restated Bylaws of 6/22/95 as such Bylaws were amended from time to time. Henceforth, by formal adoption of these Restated Bylaws #2 at the Association meeting of June 18, 2002, these Restated Bylaws shall govern the Association.

ARTICLE 2.
MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

2.1. **MEMBERSHIP.**

(a) The term "Owner" as used in these Bylaws shall mean a person, group of persons, firm, corporation (including Declarant), partnership, association or other legal entity who owns a fee simple interest in one or more Units of the Property. Ownership of a Unit is required in order to qualify for membership in the Association. Any person on becoming an Owner of a Unit shall automatically become a member of this Association and be subjected to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association, or impair any rights or remedies which the board of directors of the Association or other may have against such former Owner and membership and the covenants and obligations incident thereto. No certificate of stock shall be issued by the Association, but the board of directors may, if it so elects, issue membership cards to the Owners of the Units. Such membership cards shall be surrendered to the secretary whenever ownership of the Unit shall terminate.

(b) There shall be a maximum of 14 Units.

2.2. **VOTING.** There shall be the following rights:

(a) Each Owner of a Unit shall be allocated one (1) vote for each Unit owned ("Class A vote"). There shall be a maximum of 14 Class A votes, provided that if the Owner of the Undeveloped Units is receiving an assessment reduction under Article 10, then the Unit to which such reduction applies shall not have a vote until such year as full assessments are paid.

(b) If ownership of any Unit shall be held of record by two (2) or more Owners, then each such co-Owner shall be a member of this Association with a collective one Class A vote. The co-Owners must determine between them as to the method of voting their share. Cumulative voting in the election of directors shall be permitted if requested by a majority of Class A voters.

(c) All Class B votes (as created in the original By-Laws), if any, remaining as of the date these Restated By-Laws are adopted, shall be converted to one Class A vote per Unit. Hereafter, there shall be no more Class B shares.

2.3. **DEFINITION OF MAJORITY.** As used in these Bylaws, the terms "majority vote" and "majority in interest of Owners" shall mean a majority of the votes eligible to vote with respect to the matter in issue (i.e., total Class A votes as reduced by (i) any ineligible voters and (ii) the number of Undeveloped Units then receiving assessment reduction under Article 10).

2.4. **QUORUM.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of more than a majority in interest of the Owners shall constitute a quorum. An affirmative vote of a majority in interest of the Owners present, either in person or by proxy, shall be required to transact business.

2.5. **PROXIES.** Votes may be cast in person or by proxy. All proxies shall be in writing and must be filed with the secretary or other officer or director before the appointed

time of each meeting. Unless otherwise specified therein, no proxy shall be valid after eleven (11) months from the date of its execution.

ARTICLE 3. ADMINISTRATION

3.1. **ASSOCIATION RESPONSIBILITIES.** The Owners of the Units will constitute the Ouray River Park Townhomes Association, referred to as "Association", who will have the responsibility of administering the Property through a board of directors.

3.2. **PLACE OF MEETING.** Meetings of the Association shall be held at such place in the County of Ouray, Colorado, as the board of directors may determine.

3.3. **ANNUAL MEETING.** The annual meeting of the Association shall be held during the month of June of each year, subject to scheduling by the board of directors or such variation as the Association shall determine by majority vote.

3.4. **SPECIAL MEETINGS.** A special meeting of the members may be called by the president or by the board of directors. A special meeting of the members shall be called by the president or the board of directors within thirty (30) days after the date such meeting is requested in writing by not less than a majority in interest of Owners.

3.5. **NOTICE OF MEETINGS.** The secretary shall mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at least thirty (30) days and not more than one hundred eighty (180) days prior to such meeting. Any notice in the foregoing manner shall be deemed effective as of the date of mailing.

3.6. **ADJOURNED MEETINGS.** If any meeting of Owners can not be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

3.7. **ORDER OF BUSINESS.** The order of business at all meetings shall be governed by Roberts Rules of Order.

3.8. **WAIVER.** Whenever applicable law or these Bylaws require a notice of a meeting to be given, a written waiver of notice signed by an Owner entitled to notice, whether before, at, or after the time stated in the notice, shall be equivalent to the giving of notice. Attendance of an Owner in person or by proxy at a meeting constitutes a waiver of notice of a meeting, except where an Owner attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

3.9. **ACTION BY OWNERS WITHOUT A MEETING.** Any action required to, or which may, be taken at a meeting of the Owners may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Owners entitled to vote with respect to such action. Such consent may be executed in counterparts and shall be effective as of the date of the last signature thereon.

3.10. **ASSESSMENT.** At its annual meeting, the Association shall by majority vote fix the annual assessment for the forthcoming fiscal year and any special assessments that are reasonably predictable. All assessments shall be payable to the Association and shall be collected by the treasurer.

3.11. **MANAGEMENT FIRM.** The Association by majority vote may employ on behalf of the Association a management firm at a compensation established by the board to perform such duties and services as the board shall authorize which are otherwise delegated to the officers of this corporation; provided that no owner shall be obligated to accept or pay for services related to property rental or similar unit specific services.

ARTICLE 4. BOARD OF DIRECTORS

4.1. **NUMBER AND QUALIFICATION.** The affairs of the Association shall be governed by a board of directors initially composed of three (3) persons. The number of directors may be increased or decreased by action of the Association; provided, however, that the number of directors shall not be reduced to less than 3 nor increased to more than 5. In addition, elected officers of the Association shall automatically be members of the Board of Directors.

Membership in the Association shall be a prerequisite to holding the office of director.

4.2. **POWERS AND DUTIES.** The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential townhome project. The board of directors may do all such acts and things as are not by law or by the Articles of Incorporation or these Bylaws or by the Declaration directed to be exercised and done by the Owners. The powers and duties of the board of directors shall include, but not be limited to, the following (any of which can be delegated to the officers):

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the property with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair the common property and common facilities and all items of personal property, if any, used in the enjoyment of the property.

(d) To insure and keep insured the common property, the common facilities and all of the Units on the property, to extent required by the Declaration.

(e) To fix, determine, levy and collect periodically, special assessments to be paid by each of the Owners for unusual or emergency common expenses and to adjust, decrease, or increase the amount of said special assessment, and to credit any excess payments for said assessments to the next assessment period.

(f) To levy and collect special assessments whenever in the opinion of the board it is necessary to do so in order to meet increased or unanticipated operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All charges for special assessments shall be in statement form and shall set forth the various expenses for which the special assessment is charged.

(g) To impose penalties and collect delinquent assessments by suit or otherwise and to enjoin, or seek damages from, an Owner as is provided in the Declaration and these Bylaws.

(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 recorded Declaration and to execute all such instruments evidencing such indebtedness as the board of directors may deem necessary, and such indebtedness shall be the several obligation of all of the Owners of the same proportion as they bear common expenses; provided, however, that the board shall not borrow more than \$500 or cause the Association to be indebted for more than \$1,000 at any one time without the prior approval of the members.

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

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

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

(m) To prepare and deliver annually to each Owner a budget for the forthcoming year.

(n) To designate the personnel necessary for the maintenance and operation, as specified in the Declaration, of the Property including the common property, common facilities and the townhomes.

(o) To establish orderly, procedures for an impartial hearing upon notice to any person who is alleged to be in default in paying his assessments, or to have violated the Declaration, Articles of Incorporation, these Bylaws, or the Association's rules and regulations.

(p) 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 governing and the operation of the Property.

4.3. **ELECTION AND TERM OF OFFICE.** The terms of office for the initial board of directors shall be determined by lot and shall be as follows: one (1) three year term; one (1) two year term; and one (1) one year term. At the expiration of the term of office of

each initial director, his successor, and all successive directors elected and qualified thereafter, shall be elected to serve a term of three (3) years.

4.4. **VACANCIES**. Any vacancy occurring on the board of directors and any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority in interest of Owners. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

4.5. **REMOVAL OF DIRECTOR**. Except as limited by Paragraph 4.1 of this Article, at any regular or special meeting duly called, any one or more of the directors elected pursuant to Paragraph 4.4 hereof may be removed with or without cause by a majority in interest of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

4.6. **REGULAR MEETINGS**. Regular meetings of the board of directors may be held at such time and place (or telephonically by conference call) as shall be determined, from time to time, by a majority of the directors, but a least one such meeting (which may be the annual meeting) shall be held each year. Notice of regular meetings of the board of directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

4.7. **ANNUAL MEETINGS**. The regular annual meeting of the board of directors shall be held immediately following or concurrently with the annual meeting of Owners at the same place as such meeting of Owners is held, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present. A copy of the proposed annual budget of common expenses, together with notice of the annual meeting, shall be mailed to the Owners not less than thirty (30) days prior to said meeting (provided that if the budget is not yet available, it may be developed at the annual meeting). The proposed annual budget, along with any modifications thereof, shall be approved by the board of directors at the annual meeting.

4.8. **NOTICE OF ASSESSMENT**. When the annual assessment for the forthcoming year has been set, the treasurer of the Association shall mail or present to each Unit Owner a statement of said Unit Owner's annual assessment. All annual assessments shall be payable to the treasurer of the Association or at his request to the management company, and, upon request, said treasurer shall give a receipt for each payment made to him.

4.9. **SPECIAL MEETINGS**. Special meetings of the board of directors may be called by the president on three (3) days notice to each director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the board of directors shall be called by the president or secretary in like manner and on like notice on the written request of at least two (2) directors.

4.10. **WAIVER OF NOTICE**. A written waiver of notice signed by a director entitled to notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of notice. Attendance of a director at a meeting constitutes a waiver of notice of such

meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.11. **PARTICIPATION BY ELECTRONIC MEANS.** Any members of the board of directors or any committee designated by such board may participate in a meeting of the board of directors or committee by means of a telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

4.12. **ACTION BY DIRECTORS WITHOUT A MEETING.** Any action required or permitted to be taken by the board of directors, executive committee, or other committee of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, executive or other committee members entitled to vote with respect to the proposed action. Such consent may be executed in counterparts and shall be effective as of the date of the last signature thereon. Telefaxed copies of executed consents shall be deemed effective for this purpose.

4.13. **QUORUM.** Except as otherwise provided herein, at all meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority (but in no event less than two) of the directors present at a meeting at which a quorum is present, shall be the acts of the board of directors. If, at any meeting of the board of directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time without further notice.

4.14. **FIDELITY BONDS.** The board of directors may require that all 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.

ARTICLE 5. OFFICERS

5.1. **DESIGNATION.** The officers of the Association shall be a president, a vice-president, a secretary and a treasurer, all of whom shall be elected by the Association. The officers shall be members of the board of directors. The board of directors may appoint such other officers as it deems desirable.

5.2. **ELECTION OF OFFICERS.** The officers of the Association shall be elected annually by the Association (or, if the Association so directs, by the board of directors) at the annual meeting and shall hold office at the pleasure of the Association. One person may hold concurrently the office of vice president and secretary or vice president and treasurer, but the president shall serve only in the office of president, and the office of secretary and treasurer shall not be held concurrently by one person.

5.3. **RESIGNATION AND REMOVAL OF OFFICERS.** Upon an affirmative vote of a majority in interest of Owners or a unanimous vote of the board of directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the board of directors or Association, or at any special meeting of the board or Association called for such purpose. 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.

5.4. **PRESIDENT**. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the board of directors. He shall have all of the general powers and duties which are usually vested in the office of president of a non-profit 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. He shall see that orders and resolutions of the board are carried out and shall sign legal documents binding the Association together with at least one other officer.

5.5. **VICE PRESIDENT**. The vice president shall have all the powers and authority and 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.

5.6. **SECRETARY**. The secretary shall keep all the minutes of the meetings of the board of directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the board of directors may direct; he shall serve notice of meetings of the board and the members; shall have charge of the corporate seal and have authority to affix the corporate seal to any instrument requiring it (and, when so affixed, may be attested by his signature); 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 mortgagees of Units and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the Unit owned by member and if such Unit is mortgaged, the name of the mortgagee.

5.7. **TREASURER**. The treasurer shall have responsibility for Association funds; shall disburse such funds as directed by the board of directors; shall sign all checks and promissory notes of the Association; shall be responsible for keeping full and accurate accounts 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 board of directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members; and shall pay all charges and obligations of the Association before the same shall become delinquent.

5.8 **EXECUTIVE COMMITTEE**. The Executive Committee shall have the authority to act on behalf of the Board between meetings of the Board, except as to those matters reserved by the Board. The Committee shall be responsible to the Board and shall report its actions to the Board at the next appropriate opportunity. The Committee shall be composed of the President, the Vice President, the Secretary and the Treasurer. The Committee may engage an Executive Director to manage the day-to-day affairs of the Association on appropriate terms and conditions.

**ARTICLE 6.
INDEMNIFICATION**

6.1. **ASSOCIATION TO INDEMNIFY BOARD OF DIRECTORS, OFFICERS.** The Association shall indemnify every director, officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorney's fees, reasonably incurred by him 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 director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or wilful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or wilful misconduct in the performance of his duties as such director or officer and the foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. The Association may procure insurance to cover these risks.

**ARTICLE 7.
AMENDMENTS TO BYLAWS**

These Bylaws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by a majority in interest of Owners. No such amendment shall change any provision required by the laws of the State of Colorado to be in the Bylaws. The notice of said meeting shall specify the nature of any proposed amendment or amendments.

**ARTICLE 8.
MORTGAGES**

8.1. **NOTICE TO ASSOCIATION.** An Owner who mortgages his Unit shall notify the Association through the secretary or a member of the board of directors, giving the name and address of his mortgagee. The secretary of the Association shall insert such information in the membership records in accordance with Paragraph 5.06 of Article V.

8.2. **NOTICE OF UNPAID ASSESSMENTS.** The Association shall, within ten (10) days of the request of an Owner or a mortgagee of a Unit, and upon payment of a reasonable fee not to exceed \$50.00, report any unpaid assessment due from the Owner of such Unit.

**ARTICLE 9.
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS
AND REQUIRED PROXIES**

9.1. **PROOF OF OWNERSHIP.** Any person on becoming an Owner of a Unit shall furnish to the secretary or board of directors a photocopy or a certified of the recorded instrument vested that person with an interest or ownership, which instrument shall remain in the files of the Association. The member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of the members unless this requirement is first met or temporarily waived by a majority in interest of Owners.

9.2. **REGISTRATION OF MAILING ADDRESS.** The Owners of each Unit 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 singular and only mailing address of all Owners of a particular Unit. Such registered address of a Unit Owner shall be furnished by such Owners to the secretary within five (5) days after a transfer of title or change of address, and such registration shall be in written form and signed by all of the Unit Owners or by such persons as are authorized by law to represent the interest of all Owners thereof.

9.3. **ASSOCIATION ADDRESS.** The address of the principal office of the Association shall initially be at c/o Ouray Realty and Investment Co., P. O. Box 77, Ouray, Colorado 81427, but the board of directors, in its discretion, may keep and maintain offices wherever the business of the Association may require.

ARTICLE 10. OBLIGATIONS OF OWNERS

10.1. **ASSESSMENTS.**

(a) All Owners shall be obligated to pay the annual and special assessments imposed by the Association to meet the common expenses. The annual assessment shall be allocated among all Owners as provided in the Declaration and shall be payable in installments as provided in the Declaration, or at the option of any Owner, said assessments may be fully paid in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these Bylaws, if and only if he shall have fully paid all annual and special assessments, or installments thereof, made or levied against him and the Unit owned by him. Any annual or special assessments, or installments thereof, which are not paid when due shall be delinquent. Annual assessments shall be due and payable by September 1 of the fiscal year. Special assessments paid in full or in installments, as specified in the assessment notice, shall be due and payable sixty (60) days after notice. Delinquent assessments shall bear interest from the date of delinquency at the highest rate permitted by law (but in no event greater than fifteen percent per annum) 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, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Except as provided in subpart (b) below, no Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of his Unit, the common facilities or the common area.

(b) From and after the date on which these Restated Bylaws are adopted, the Undeveloped Unit Owners (upon written request to the treasurer) shall be entitled to a full

abatement of the annual assessment attributable to the Undeveloped Units so long as such Undeveloped Units are not developed. Such abatement shall automatically terminate and the full annual and/or special assessment for such year (without proration) shall be due and payable for each Undeveloped Unit as of the day ground is broken for the construction of such Undeveloped Units. Breaking of ground shall include grading, storage of materials or similar pre-construction activities. Notwithstanding the foregoing, the Association or the board of directors, may terminate any such temporary abatement by majority vote (provided that no retroactive termination shall be permitted).

(c) Assessments shall be allocated as follows: (i) First, a basic assessment for a two bedroom Unit shall be calculated, (ii) Second, the three bedroom Unit shall then be assessed 110% of such basic assessment. For purposes of assessments, all Uncompaghre River fronting Units shall be two bedroom Units and all Highway 550 fronting Units shall be three bedroom Units (subject to readjustment for actual bedrooms built in the Undeveloped Units). The Association may (by majority vote) alter such assessment formula as equitably necessary to reflect the actual cost or cause of the matter covered by such assessment in whole or in part.

(d) The foregoing provisions shall not be deemed to waive, modify, characterize, reduce, or concede any rights of the Association or any Owner against the original or subsequent developers of the Units by reason of their acts and omissions under the original Bylaws or the Declaration. On the contrary, the assessment provisions hereinabove set forth shall inure to the benefit only of the Owners, as of the date these Restated Bylaws are adopted, and their successors and assigns.

10.2. **RIGHT OF ENTRY.** An Owner shall and does grant the right of entry to the management firm or board of directors of the Association, to have access to his Unit and the townhome located thereon from time to time during reasonable hours as may be necessary for maintenance, repair, or replacement of any of the common facilities or common area therein accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common facilities, common area, or to another Unit or Units or the townhomes situated thereon. Damage to the Unit or to the townhome located thereon as a result of such entry thereof shall be a common expense to all of the Owners, provided, however, that if such entry, resulting in damage, was made necessary as a result of the negligence or malfeasance of a Unit Owner, then such Owner shall be responsible for all of such damage.

10.3. **RULES AND REGULATIONS.** The board of directors, pursuant to Paragraph 4.2 of Article IV of these Bylaws, reserve the power to establish, make and enforce compliance with such house rules and regulations as may be necessary for the operation, use and occupancy of the property with the right to amend the same from time to time.

ARTICLE 11. CHARACTER OF ASSOCIATION AND FISCAL YEAR

11.1. **CHARACTER OF ASSOCIATION.** This Association is not organized for profit. No member, member of the board of directors, officer or person for whom the Association may receive any property or funds shall receive or shall be lawfully entitled to

receive any pecuniary profit from the operation 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 inure to the benefit of any member of the board of directors, officer or member; provided, however, always (1) that reasonable compensation may be paid to any member, director or officer while acting as agent or employee of the Association for services rendered and affecting one or more of the purposes of the Association, and (2) that any member, director, or officer 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.

11.2. **FISCAL YEAR.** The fiscal year for the Association shall be the fiscal year July 1 through June 30, unless otherwise designated by resolution of the Association or board of directors.

ARTICLE 12. CONVEYANCES AND ENCUMBRANCES

Association property may be conveyed or encumbered by authority of the board of directors or such person or persons to whom such authority may be delegated by resolution of the board. Conveyances or encumbrances shall be by instrument executed by the president or vice president and by the secretary or the treasurer, or executed by such other person or persons to whom such authority may be delegated by the board.

ARTICLE 13. COMMON AREA AND PARKING

The Association and/or the board of directors by majority vote shall have the authority to specifically locate and/or restrict parking rights of Units/Owners as necessary to equitably allocate parking for each Unit and Owner. Such actions may include the designation of visitors parking and the designation of parking for each Unit, together with such enforcement actions (including fines in the form of special assessments) as are necessary to obtain compliance.

ARTICLE 14. NO WAIVER

These Restated Bylaws shall not waive or be deemed to have waived any rights or remedies of the Association or any Owner against (i) the Declarant or any subsequent developer or (ii) any claimant of a Class B voting right under the Declaration and the original Bylaws. Notwithstanding the foregoing, these Restated Bylaws shall be dispositive of the obligations of Class A voters, Units and Owners arising from and after the date of adoption.

ARTICLE 15. RECORDING

These Restated Bylaws may be recorded in the public records of Ouray County, Colorado.

CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of 13 pages, including this page, constitute the Restated Bylaws of Ouray River Park Townhomes Association, a Colorado non-profit corporation, adopted by the Association and its board of directors on June 18, 2002.


Secretary