

BY LAWS

LINVALLE CONDOMINIUM PROJECT ASSOCIATION

ARTICLE I

OBJECT

1.1 This Association is a non-profit corporation formed under the Colorado Non-Profit Corporation Act having as its objectives the promotion of the welfare, comfort, and safety of resident owners and tenants, and the overall maintenance of the project as a restricted and preferred residential unit, specifically described in the Linvale Condominium Declaration.

1.2 By this reference all provisions and definitions of the Declaration are included in these By-Laws.

1.3 All present and future owners, tenants, guests and other persons who might in any manner use the facilities of the project as described in the Declaration are subject to the rules and regulations set forth in these By-Laws, the Declaration, or additionally promulgated by the Association's Board of Directors. The mere acquisition, rental, occupancy or use of any portion of the project will signify that these rules and regulations are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES

2.1 Membership in this Association automatically attaches to ownership of any units of the project. Membership begins with assumption of title and terminates upon sale or other transfer of title; However, termination of membership does not release any person from any liability or obligation incurred under or in any way connected with this Association during the period of membership, or impair any rights or remedies which the members have, either through the Board of Directors or directly, against any terminated former member arising out of or in any connected with his or her ownership and membership and the covenants and obligations incident thereto.

2.2 Meetings of the membership will be scheduled not less than once annually, the time and place of such meetings to be announced to the full membership by written notice personally, delivered or mailed to the last known address of each member not less than ten (10) or more than 1201 days prior to such meeting.

2.3 Special meetings may be scheduled upon majority vote of the Board of Directors or upon written request signed by not less than ten (10) members delivered to a member of the Board of Directors.

2.4 The time and place of such special meetings, which shall be held not later than fifteen (15) days following receipt of the specified request, shall be announced as stated under 2.2 above.

2.5 Announcements of membership (homeowners) meetings shall include the proposed agenda and/or a brief description Of business to be transacted at the meeting.

2.6 At any membership meeting a quorum authorized to conduct Association business will be constituted by not less than ten (10) members present or by proxy. The quorum may include any member of the Board of Directors. An affirmative vote of the majority of members present, either in person or by proxy, shall be required to transact business at any membership meeting.

2.7 At any membership meeting at which a quorum is not met, the business announced for consideration may be transacted by majority vote of the Board of Directors, or it may by such majority vote, be held over for consideration at the next meeting.

2.8 The owner in good standing of each residential unit in the project shall be entitled to one (1) vote only. Tenancy or other occupancy of a unit does not convey Association membership and/or voting rights, or the right to attend membership meetings. Good standing means all assessments paid to date of meeting where voting takes place.

2.9 Votes may be cast in person or by Proxy. An owner may convey proxy voting rights only to another owner or to a duly appointed Attorney-in-Fact, and such conveyance must be filed in writing with the Secretary of the Association prior to the start of any meeting.

2.10 Members not residing in one of the project units shall / 9 keep the Secretary informed of their current address at all times. Non- resident members are urged to exercise their voting rights, either in person or by proxy, at all meetings.

ARTICLE III ADMINISTRATION

3.1 The owners of the units agree that this Association shall have the exclusive responsibility for handling all matters of joint interest in the project through their Board of Directors. No transaction may be conducted in the name of this Association except as authorized by the Board of Directors, and the Association assumes no responsibility or obligation for any unauthorized action.

ARTICLE IV BOARD OF DIRECTORS

4.1 The Board of Directors shall consist of five (5) members of the Association.

4.2 At each annual meeting two (2) Directors shall be elected for a term of two (2) years to replace those directors who have completed their two (2) year terms. Directors to replace any vacancies on the Board shall be appointed by the President to serve until the next annual meeting at which time a new Director shall be elected to serve the unexpired portion of the term, but not more than one (1) year. Directors, except replacements, shall assume office at the close of such annual meeting election and shall hold office for a period of two (2) years unless replaced earlier.

4.3 A nominating committee consisting of not less than three (3) Association members to propose names of members for the office of Director shall be named by the President prior to the annual meeting. These names selected by the committee will be presented to the membership at the annual meeting; additional nominations can be made from the floor.

4.4 At any annual or special meeting duly called as stated in II 2.3 any one or more of the Directors may be removed with cause by a majority of the members and a successor shall then and there be appointed to complete the term of the vacancy so created Any Directors whose removal has been proposed shall be given the opportunity to be heard before the proposal has been put to vote. Any Director who so chooses may resign without prejudice upon written resignation presented to the President of the Association.

4.5 The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. They may take any action deemed warranted for the operation and maintenance of a first-class residential development, except as may be prohibited by law or unauthorized by these By-Laws or by the Declaration. Such powers and duties shall include, but not be limited to, the following, all of which shall be done for and in behalf of the members:

a. Administer and enforce the covenants, conditions, restrictions easements, uses, limitations, obligations, and all other provisions set forth in the Declaration, submitting each member and unit to the provisions therein set forth, the By-Laws of the Association, and supplements, additions and/or amendments thereto

b. Establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation and use of the project, including the common areas, with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon promulgation and adoption thereof.

c. Keep in good order, condition and repair all of the common property, used by the owners in the enjoyment of the entire premises of the Project, and the exterior maintenance of each unit and residence as is provided in the Declaration.

d. Insure and keep insured all of the insurable common proper ties in an amount equal to their maximum replacement values. To insure and keep insured all of the common fixtures, equipment and personal property of the Association, excepting contents of the individual units, for the benefit of the owners and their first mortgagees. Further to obtain and maintain comprehensive liability insurance covering the entire premises in amounts as deemed appropriate by the Board of Directors.

e. Prepare a budget for the owners at least annually, to determine the amount of the common prorated monthly assessment (1/38 fractional share of total cost for each unit) payable by each owner of a unit and allocate such assessment among the owners, and by majority vote of the Board of Directors to adjust, decrease or increase the amount of the assessment. To levy and collect special assessments whenever in the opinion of the Board of Directors it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenditures, or because of emergencies.

f. Collect delinquent common monthly assessments by suit or other-wise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws. Each monthly assessment is due in advance at the first of each month, and is delinquent after the tenth of each month The Association shall collect interest at the maximum legal rate per annum in connection with assessments remaining unpaid more than thirty, (30) days from the due date of payment thereof, together with all expenses, including attorneys fees incurred.

g. Protect and defend the entire premises from loss and damage by suit or otherwise.

h. Borrow funds, when necessary, in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these by-Laws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their voting interest.

i. Enter into contracts *within* the scope of their duties and powers.

j. Establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

k. Make repairs, additions, alterations and improvements to the common areas and improvements thereon and to provide the exterior maintenance upon each unit and residence as is set forth in the Declaration consistent with managing the project in a first-class manner and consistent with the best interests of the owners.

l. Keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by any owner.

m. Prepare and deliver annually to each owner a statement showing receipts, expenses or disbursements since the last such statement.

n. To meet at least once each quarter; a majority is needed to conduct business.

o. Designate the personnel necessary for the maintenance and the operation of the common elements.

p. In general, carry on the administration of the Association and to do all of those things, necessary and reasonable, in order to carry out the governing and operation of this Association.

q. Employ for the Association a management agent if and when such agent is deemed necessary and funding is available for this purpose.

4.6 The omission or failure of the Association or any owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, the By-Laws or the regulations and house rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or managing agent shall have the right to enforce the same thereafter.

ARTICLE V
OFFICERS

5.1 The officers of the Association shall be the President, the Vice-President, and the Secretary-Treasurer. The Secretary-Treasurer may request secretarial assistance, if desired, such assistant, if not otherwise eligible, having no Director voting rights.

5.2 The officers of the Association shall be selected from, and elected by a majority vote of, the Board of Directors annually at the first meeting of the Board held immediately or as soon as practicable after each annual meeting of the membership. The term of office of an officer shall be one (1) year. Officers may be re-elected to a succeeding term if said officer has a remaining year in office as a Director.

5.3 Any officer may be removed or replaced by a majority vote of the Board of directors, whenever, in its judgment, the best interests of the Association will be served thereby.

5.4 Any vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

5.4 No officer or member of the Board of Directors shall receive any compensation for acting as such.

ARTICLE VI
INDEMNIFICATION

6.1 The Board of Directors may require that all officers and employees of the Association shall furnish adequate Fidelity bonds. The premium on such bonds shall be a common expense of the members of the Association.

6.2 The Association shall indemnify every Director, Officer, and employee, their respective successors, personal representatives and heirs, against all loss, costs, and expenses, including counsel 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, Officer, or employee 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 willful 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 willful misconduct in the performance of his duty as such Director, Officer or employee in relation to the matter involved. The foregoing rights shall not be exclusive to other rights to which such Director, Officer or employee 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 a common expense of all the owners; provided, however, that nothing in this Article contained shall be deemed to obligate the Association to indemnify any member who has been a Director, Officer, or employee of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration or these By-Laws.

6.3 Contracts or other commitments made by the Board of Directors, Officers or employees of the Association shall be made as agent for the owners, and they shall have no personal responsibility on any such contract or commitment (except as owners), and the liability of any owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as his interest bears to the aggregate interest of all of the owners.

ARTICLE VII
AMENDMENTS TO THE BY-LAWS

7.1 These By-Laws may be amended by the Association at a duly constituted meeting for such purpose; no such amendment shall take effect until after it has been presented to and approved for vote of the Association by the Board of Directors, then approved by a majority of Association members (homeowners).

ARTICLE VIII
FISCAL MANAGEMENT

8.1 The provisions for fiscal management of the condominium units for and in behalf of all of the unit owners which are included in the Condominium Declaration shall be supplemented by the following provisions:

8.2 The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expense.

8.3 Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements. ~

8.4 Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

8.5 Reserve for replacement, which shall include funds for repair or replacement because of damage, wear or obsolescence.

ARTICLE IX
RIGHT OF ENTRY AND ABATEMENT

9.1 Each owner upon accepting his unit, does grant the right of entry to the Board of Directors of their designated agent in the case of emergency originating in or threatening his unit, whether the owner is present at the time or not.

9.2 An owner shall permit representatives authorized by the Association, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance. In case of emergency such right of entry shall be immediate.

9.3 The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the Officers the right, in addition to any other rights set forth therein, (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily remove and abate, at the expense of the defaulting unit owner, any structured things, or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or their agents shall not be deemed guilty in any manner of trespass or any other civil or legal violation; (b) to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any breach.

ARTICLE X
REIMBURSEMENT FOR SERVICES

10.1 This Association is not organized for profit, but any member of Officer or Director, may from time to time be reimbursed for his actual and reasonable expenses incurred in connection with the affairs of the Association.

ARTICLE XI
MORTGAGES AND NOTICES

11.1 An owner who mortgages his unit shall notify the Association through the managing agent or the Secretary-Treasurer or one of the Board of Directors, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Owner Mortgagees of Units". The Association shall at the request of a mortgagee of a unit reveal and report to said mortgagee any unpaid assessment due from the owner of such unit.

ARTICLE XII
EVIDENCE OF OWNERSHIP

12.1 Any person on becoming an owner of a condominium unit shall furnish to the Board of Directors a photocopy or certified copy of the recorded instrument vesting that person with an interest of ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual meeting or at a special meeting of members unless this requirement is first met.

ARTICLE XIII
PERSONS AUTHORIZED TO EXECUTE INSTRUMENTS

13.1 The persons who shall be authorized to execute any and all instruments of conveyance under the provisions of the Declaration shall be the President, Vice-President, and the Secretary-Treasurer of the Association, and the same persons shall be authorized to execute promissory notes as is hereinabove in these By-Laws.

ARTICLE XIV
APPOINTING BENEFICIARY OF A TRUST DEED

14.1 Every condominium unit owner shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed, conveying his unit as security for indebtedness as his true and lawful attorney to vote his unit membership in this Association at any time and all meetings of the Association; and to vest in such beneficiary or its nominee any and all rights, privileges and powers that he as unit owner under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary-Treasurer of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association or the Board of Directors of the Association to carry out its duties as set forth in the Condominium Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve the condominium unit owners, as mortgagors, of their duties and obligations as unit owners or to impose upon the beneficiary of the Deed of Trust the duties and obligations of a unit owner.

IT WITNESS WHEREOF, the undersigned has hereunto set his hand and seal this ___ * ___ day
of ___ * _____ In , 1979

BOARD OF DIRECTORS

_____ *

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary-Treasurer of the Corporation (Linvale Condominium Project Association) does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Directors of said Corporation as the By-Laws of said Corporation on the ___ * ___ day of ___ * _____, 1979 and that they do now constitute the By-Laws of said Corporation.

Attest: *

Copies of the signed document dated 26 June, 1979 are on file with the Association Secretary-Treasurer.

CONDOMINIUM DECLARATION
for
LINVALE, A CONDOMINIUM PROJECT

1-28



XIX. USE AND OCCUPANCY RESTRICTIONS

A. The property is hereby restricted to residential dwellings for residential use and uses related to the convenience and enjoyment of such residential use exclusively by the owner, or by the owners family, guests, agents, employees, invitees, licensees or tenants. All buildings or structures erected upon the property shall be of new construction and no buildings or structures shall be moved from other locations onto said premises, and no subsequent buildings or structures other than buildings shown on the Condominium Map, being condominium units, shall be built on any parcel where the Declarant theretofore programmed and constructed a building. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any portion of the premises at any time as a residence either temporarily or permanently.

B. No animals, livestock and poultry of any kind shall be raised, bred or kept on the property on in any unit, except that dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commerical purpose.

C. No advertising signs (except one of not more than five square feet "For Rent" or "For Sale" sign per parcel), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the premises, nor shall the premises be used in any way or for any purpose which may endanger the health or unreasonably disturb the owner of any condominium unit or any resident thereof. Further, no business activities of any kind whatever shall be conducted in any building or in any portion of the property./

13

D. Owners and occupants of units shall avoid making or permitting to be made such noise, or using or permitting to be used such instruments, appliances or devices that would be a nuisance to occupants of other units.

E. No clotheslines or other devices for drying, equipment and tools or other personal property, garbage cans, wood piles, or storage piles shall be permitted or maintained on any site, or on any part of the common elements, or limited common elements (except patio furniture and/or items normally used for entertaining or for outdoor cooking). No clothing, beddings, towels, or rugs shall be hung from windows, porches, or any facade of any building in Linvale. All rubbish, trash, or garbage shall be regularly removed from the premises, and shall not be allowed to accumulate thereon.

F. No exterior mounted radio, short wave, television or other type of antenna shall be permitted except on an interior roof, the elevation of which is lower than the surrounding roof so that such antenna installation is not noticeable from any other sites, from any common area and from the streets.

G. No tanks of any kind, either elevated or buried, shall be erected, placed or permitted upon any site.

H. No housetrailer, tent, shack, detached garage, barn or outbuilding of any kind shall be permitted upon a site.

I. No playground equipment, including swings, slides, jungle gyms, wading pools and other playground items normally considered as part of such equipment shall be permitted to be installed on any unit or on the common elements.

J. All garage doors shall be kept in a closed position, except when entering or exiting, so that the contents therein are concealed from view from any other units, from any common area and from the street.

K. No mobile home, house trailer, camping trailer, boat trailer, hauling trailer, running gear or boat or accessories thereto, mobile home or oversized vehicle of any type shall be parked, stored or maintained on any unit, including the streets adjoining a unit or on the general or limited common elements, unless the same is stored, parked or maintained wholly within the garage area of the site with the garage door in a closed position when the same is stored therein. This restriction shall not apply to commercial or other vehicles making deliveries, business or service calls to the residents or owners of the sites, to the Association or to temporary parking by owners or residents for purposes of loading preparatory to trips or moving said vehicles elsewhere, or guests on a strictly temporary basis.

L. No planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon said premises, except such as are installed in accordance with the initial construction of the buildings located thereon or as approved by the Association's Board of Directors or their designated representative. 14

No owner shall take it upon himself to fertilize, water, mow, or otherwise maintain common landscaped or grassed areas except those areas that are not covered by the sprinkler system and require hand watering, and excluding flower beds or other areas authorized by the Board of Directors.

M. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the common elements and all exteriors and roofs of the condominium units, including but not limited to, recreation and parking areas and walks, shall be taken by the Association.

N. The Association, or its duly delegated representative, shall maintain and otherwise manage all property up to the exterior building lines and including, but not limited to landscaping, parking areas, streets, and recreational facilities, roofs, common elements and exteriors of the buildings located upon the above-described properties, except windows of condominium units, and shall maintain and otherwise manage and be responsible for the rubbish removal of all areas within the above-described property.

O. No exterior additions, or alterations to any building or changes in fences, hedges, walls and other structures shall be commenced, erected or maintained until the plans and specifications showing the nature, kind, shape, height, materials, location and approximate cost of same shall have been submitted to and approved in writing as to conformity and harmony of external design and location with existing structures in the property by an architectural committee composed of the Board of Directors.

P. In the event any common element, building (exclusive of any party wall), or facility is damaged or destroyed through the negligent or culpable act of an owner or any of his guests, agents or members of his family, such owner does hereby irrevocably authorize the Association its attorney-in-fact as set forth in Paragraph XV above, to repair said damaged element, building, or facility. The owner shall then repay the Association in the amount actually expended for said repairs, together with all other expenses reasonably and necessarily incurred by the Association in connection therewith. Each condominium unit owner further agrees that these charges for repairs, if not paid within (10) days after the completion of the work, shall become a lien upon said owner's condominium interest as set forth in paragraph VIII above, and shall continue to be such lien until fully paid.

Q. An owner shall not do any act or any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament.

R. No garage, patio, lawn or similar sales shall be permitted in or on any common or limited common area.

**LINVALE CONDOMINIUM PROJECT ASSOCIATION
CLUB HOUSE RULES**

November 22, 1994

- I. Written request for a clubhouse use permit must be submitted to the management office at least (10) ten days in advance. A \$25.00 deposit must accompany the request.
- II. Use of the facility is for Homeowners and Guests only. The Homeowner submitting the request must be present at all times and is responsible for the conduct of their guests.
- III. All activities are limited to the inside of the clubhouse.
- IV. Hours of use shall be from 8:00 A.M. to 10:00 P.M. daily.
- V. No loud or disturbing activities, music, entertainment or audio systems will be permitted that are deemed to be a nuisance to tenants or Homeowners. Violation of this rule shall be cause for immediate termination of the event as may be directed by the Board of Directors, security or local law enforcement.
- VI. The registered Homeowner requesting use permit shall be solely responsible for cleaning and for damage to the facility. All cleaning and vacation of the premises must be completed by 10:00 P.M.. Any required cleaning extended to the next day shall not be commenced prior to 8:00 A.M. and must be approved at the time of the use permit.
- VII. After use, the facility shall be inspected by a Board Member or by the management office, and any damage or cleaning necessary shall be ordered and charged to the Homeowner signing the request. Such charges shall not be limited to the amount of the deposit. If there are no damages or cleaning charges, the deposit will be refunded in full.
- VIII. Any Homeowner requesting a use permit must be current on all monthly assessments.
- IX. Use of the clubhouse is limited to 30 persons.
- X. No signs, placards, banners or flags etc. shall be displayed outside the clubhouse for any private function.
- XI. Use by Association Members for any scheduled meeting, gathering or business as may be designated by the Board of Directors for the benefit of all Homeowners shall not be subject to deposits or size limitations.
- XII. No alcohol may be sold at any time in any manner.
- XIII. No alcoholic beverages shall be given to persons under the age of 21. Enforcement of rules for alcoholic beverages according to local and state laws shall be the sole responsibility of the requesting Homeowner who must be in attendance at all times.
- XIV. After the use request and deposit have been submitted, a key may be obtained from the management office or from a Board member. The key must be returned before the deposit will be refunded.