

BY-LAWS
OF
SAWMILL CREEK CONDOMINIUM ASSOCIATION

ARTICLE FOUR

BOARD OF DIRECTORS

1. **Number and Qualifications.** Consistent with the relevant provisions of the Declaration, the Declarant shall exercise the rights, duties and functions of the Board as provided therein by and through the persons names in the Articles of Incorporation as the Directors until the first meeting of the members of the Association. At the first meeting there shall be elected any six members of the Association to the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.
2. **Power and Duties.** The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class residential condominium property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:
 - a. to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado and the By-Laws of the Association and supplements and amendments thereto.
 - b. to establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of all of the condominium units 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 upon adoption thereof.
 - c. to incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.
 - d. to insure and keep insured all of the insurable general common elements and condominium units in an amount equal to the maximum replacement value. To insure and keep insured all of the common fixtures, common equipment and common personal property for the benefit of the owners of the condominium units and their first mortgage. Further, to obtain and maintain insurance as provided in the Declaration.

e. to prepare a budget for the condominium at least annually, in order to determine the amount of the common assessments payable by the unit owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the unit owners as provided in Paragraph 19 of the Declaration, and by majority vote of the Board to adjust, decrease or increase the amount of the quarterly or monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

f. to collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws. To enforce a late charge of not more than \$10.00 per month and to collect interest at the rate of twelve percent (18%) annum in connection with assessments remaining unpaid more than twenty (20) days from due date for payment thereof, together with all expenses, including attorney's fees incurred. The Board shall have the duty, right, power and authority to prohibit use of a condominium unit by an owner, lessee, sub-lessee, tenant or guest in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

g. to protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.

h. 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 these By-Laws and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefore. Such indebtedness shall be the several obligation of all of the owners in the same proportion as provided in Paragraph 19 of the Declaration. The persons who shall be authorized to execute promissory notes and securing instruments shall be the President and Secretary or Assistant Secretary.

i. to enter into contracts to carry out their duties and powers.

j. to establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

k. to make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first class manner and consistent with the best interests of the unit owners.

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

- m. to prepare and deliver annually to each owner a consolidated statement showing receipts, expenses or disbursements since the last such statement.
- n. to meet at least semi-annually and if a managing agent is employed, an employee of the managing agent shall be in attendance, upon invitation of the Board.
- o. 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 Condominium property.
- p. to manage the use of all parking areas under the control of the Association, open spaces, common areas and other property in common use.
- q. to employ for the Association a managing agent to exercise those duties and powers granted to it by the Board, but not those powers which the Board, by law, may not delegate.

3. No Waiver of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the By-Laws or the Rules and Regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

4. Election and Term of Office. At the first meeting of the Association the term of office of two Directors shall be fixed for three (3) years; the term of two Directors shall be fixed for two (2) years; and the term of office of two Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these By-Laws, the Directors shall hold office until their successors have been elected and hold their first meeting.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than quorum; and each person so elected shall be a director until his successor is elected.

6. Removal of Directors. Subject to the relevant provisions of the Declaration, at any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the owners, 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 prior to voting thereon.

7. Organization Meeting. The first meeting of a newly elected Board following each annual meeting of the unit owners shall be held within ten (10) days thereafter at such a place as shall be fixed by the Directors at the meeting at which such Directors were elected, 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.

8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two such meetings shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph at least seven (7) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board 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 shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

10. Waiver of Notice. Before or at any meeting of the Board, and Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board there be less than quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

12. Fidelity Bonds. The Boards may require that all officers and employees of the Association and the Managing Agent who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be a common expense.