

BY-LAWS
OF
HOLLIDAY HOUSE PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I

Offices

The principal business office of the corporation shall be located at 1527 Blake Avenue, Glenwood Springs, Colorado 81601. The corporation may have such other offices, either within or outside the State of Colorado, as the Board of Managers may designate or as the business of the corporation may require.

ARTICLE II

Object

1. Purpose. The purpose for which this nonprofit corporation is formed is to govern the condominium property known as "Holliday House Condominiums" situate and located in the Town of Glenwood Springs, County of Garfield, and State of Colorado, hereinafter referred to as the "project."

2. Application. All present or future owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units in Holliday House Condominiums (hereinafter referred to as "units") or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE III

Membership, Voting, Quorum, Proxies

one membership for each unit owned by him. Each such membership shall be appurtenant to and inseparable from the unit upon which it is based and shall be transferred automatically by the transfer (in whatsoever form) of that unit. Ownership of a unit shall be the sole qualification for membership. No person or entity other than an owner may be a member of the Association.

2. Voting. The Association shall have one class of voting membership. Each of the thirty-three (33) units shall be entitled to one vote. Owners of more than one unit shall have the right to cast the aggregate number of votes that the units which they own represent. If any unit is owned by multiple parties, all such parties shall be members; provided, however, that the vote to which such unit is entitled shall be exercised as the several owners among themselves shall determine, but in no event shall more votes be cast with respect to any one unit than the total number of votes represented by that unit as stated above.

3. Cumulative Voting. Cumulative voting shall not be allowed.

4. Majority Vote. As used in these By-Laws, the term "majority vote" means more than 50% of the total number of votes authorized.

5. Quorum. Except as otherwise provided in these By-Laws, the presence, in person or proxy, of more than 25% of the votes of the membership of the Association shall constitute a quorum. An affirmative vote of a majority of the votes entitled to be cast at a meeting, determined by the

6. Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE IV

Administration

1. Association Responsibilities. The Association shall have the responsibility of administering the project through a Board of Managers.

2. Place of Meeting. Meetings of the Association shall be held at such place as the Board of Managers may determine. The annual meeting of the members shall be held at 7:00 P.M. on the second Tuesday in the month of February in each year for purposes of electing from among the unit owners a Board of Managers, and to transact such other business of the Association as may properly come before the meeting.

3. Special Meetings. The President shall call a special meeting of the owners when so directed by resolution of the Board of Managers or upon presentation to the Secretary of a petition signed by owners representing a majority of the voting rights. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the unit owners either in person or by proxy.

4. Notices. Notices of annual and special meetings shall be given by the President and Secretary of the Association by regular mail addressed to the registered addresses of the owners of the units at least fifteen (15) days prior to the date set for such meeting. Any such notice shall

before, at or after any meeting, shall be a valid substitute for service. The certificate of the President or Secretary that notice was duly given shall be prima facie evidence thereof.

5. Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

6. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of a Board of Managers (when proper and required under these By-Laws).
- (g) Unfinished business.
- (h) New business.

ARTICLE V

Board of Managers (Powers and Meetings)

1. Number and Qualifications. The affairs of this Association shall be governed by a Board of Managers composed of not less than three nor more than seven persons. The persons named in the Articles of Incorporation shall act in such capacity, and shall manage the affairs of the Association until the first annual meeting and until their successors are elected.

affairs of the Association and for the operation and maintenance of the project.

3. Other Powers and Duties. The Board of Managers shall be empowered and shall have the following duties:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Holliday House Condominium Declaration of Restrictions (sometimes hereinafter the Declaration);
- (b) To establish, promulgate, and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of this project with the right to amend same from time to time;
- (c) To perform such maintenance and repair duties as charged to the Association under the Declaration;
- (d) To insure and keep in force insurance as provided in the Declaration;
- (e) To fix, determine, levy and collect the assessments to be paid by each of the owners toward the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the assessments. 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 because of emergencies. All assessments shall be mailed to the mailing address of the owner, registered mail, not later than thirty days prior to the time the same shall become due.
- (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;
- (g) To protect and defend the entire premises from loss and damage by suit or otherwise;
- (h) To borrow funds but only when so authorized by the written consent and authority of not less than 75% of the unit owners and, when so authorized, to execute all such instruments evidencing such indebtedness as is expressly authorized. Any such authorized indebtedness shall be the several obligation of all of the unit owners only in the same proportion as their interest in the general common elements.

- (j) 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 Managers;
- (k) To keep and maintain full and accurate books and records showing all of the receipts, expenses of disbursement and to permit examination thereof at any time by any of the owners and any mortgagee of a unit;
- (l) To prepare and deliver annually to each owner a statement showing in at least summary form all receipts, expenses or disbursements since the last such statement;
- (m) To meet at least semiannually;
- (n) To, generally, carry on the administration of this Association and to do all things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

4. Management Agent. The Board of Managers may employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in Section 3 hereof. Any management agreement shall be subject to all restrictions set forth in the Holliday House Condominium Declaration of Restrictions.

5. Election and Term of Office. At the organizational meeting of the Association, the initial Board of Managers of the corporation shall be elected for a term which will expire on the first annual meeting of the Association. At each annual meeting, a Board of Managers shall be elected for a term of one year, and they shall serve until their successors have been elected and hold their first meeting.

6. Vacancies. Vacancies in the Board of Managers by any reason other than the removal of a member of the Board of Managers by a vote of the Association shall be filled by vote of the majority of the remaining members of the Board.

Managers until a successor is elected in the next annual meeting of the Association.

7. Removal of Members of the Board of Managers. At any regular meeting or at any special meeting called for that purpose, any one or more members of the Board of Managers may be removed with or without cause, by a majority of all of the unit owners, and a successor then and there may be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Managers shall be held within ten days of election at such place as shall be fixed by the members of the Board of Managers at the meeting at which such members were elected, and no notice shall be necessary to the newly elected members in order to constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time, by a majority of the members of the Board of Managers but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Managers may be called by the President on three days' notice

Secretary in like manner and on like notice on the written request of at least two members of the Board of Managers.

11. Waiver of Notice. Before, at or after any meeting of the Board of Managers, any member of the Board may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice.

Attendance by the members of the Board at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the members of the Board are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Quorum. At all meetings of the Board of Managers a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the members of the Board present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers there is less than a 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.

13. Fidelity Bond. The Board of Managers 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 VI

er, all of whom shall be elected by and from the Board of Managers.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the initial meeting of each new Board and shall hold office at the pleasure of the Board. One person may hold concurrently any two offices.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Vice-President. The Vice-President shall have all the powers and authority and perform all of 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.

6. Secretary. The Secretary shall keep the minutes of meetings of the Board of Managers and minutes of meetings of the Association: he shall have charge of such books and

the principal office of the Association, a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the appropriate designation of the unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible 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 Managers.

ARTICLE VII

Indemnification of Officers and Managers

The Association shall indemnify every member of the Board of Managers or officer, his heirs, executors and administrators, against all loss, costs and expense, 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 member of the Board or officer of the Association, except as to matters 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.

performance of his duty as such Board member or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Board member or officer may be entitled. All liability, loss, damage, costs 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; provided, however, that nothing contained in this paragraph shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a Board member or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Holliday House Condominium Declaration of Restrictions as an owner of a condominium unit covered thereby.

ARTICLE VIII

Obligations of the Owners

1. Assessments. Except as otherwise provided in the Holliday House Condominium Declaration of Restrictions, all owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than on the thirtieth day following the mailing of the statement to the mailing address of the owner. Assessments shall be levied against each unit in the same proportion as that particular unit's individual interest in the common element as expressed in the Declaration. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of

2. Maintenance and Repair.

- (a) Every owner must perform promptly, at his own expense, all maintenance and repair work for which he is responsible under the Declaration, which, if omitted, would affect the project in its entirety or any other unit;
- (b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures; and all other accessories, equipment and fixtures (including any air-conditioning equipment belonging to the unit) and appurtenant limited common elements, shall be at the owner's expense;
- (c) An owner shall be obligated to reimburse the Association or another unit owner promptly upon the receipt of a statement for any expenditures incurred by the Association or other unit owner or both in repairing, replacing or restoring common elements or the interior or any part of a unit damaged as a result of negligent or other tortious conduct of such owner, a member of his family, his agent, employee, invitee, licensee or tenant.

3. Mechanic's Lien. Each owner shall indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against any other units and the appurtenant common elements for labor, materials, services or other products incorporated in the owner's unit.

4. General.

- (a) Each owner shall comply strictly with the provisions of the Holliday House Condominium Declaration of Restrictions;
- (b) Each owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established.

5. Use of Units - Internal Changes.

- (a) Units shall be utilized for such purposes only as may be permitted in the Declaration;
- (b) Except as permitted in the Declaration, an owner shall not make interior modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the Managing Agent,

6. Right of Entry.

- (a) An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Managers in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not;
- (b) An owner shall permit the other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that such requests for entry are made in advance and that such entry is at a time convenient to the owner. In the case of an emergency, such right of entry shall be immediate.

7. Rules and Regulations. The Association, through its Board of Managers, shall have the power and authority to adopt and promulgate such rules and regulations as it may from time to time deem necessary or desirable to regulate the use and activities upon the property in a manner consistent with the purposes of Holliday House Condominium Declaration of Restrictions.

ARTICLE IX

Amendments

These By-Laws may be amended by the Association members at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing 75% of the total vote of the Association. The notice of such meeting shall contain a summary of the proposed changes, or a copy of such proposed changes. Provided, however, as long as the Declarant is in control of the selection of the Board of Managers of the Association as provided for in these By-Laws and the Articles Of Incorporation, the Declarant may amend these By-Laws so long

Mortgages

2. Notice of Unpaid Assessments. The Association shall, at the request of a mortgagee of a unit, report any unpaid assessments due from the owner of such unit, and shall give mortgagees' such other notices as are required by the Declaration.

Evidence of Ownership, Registration of Mailing Address and Required Proxies

2. Registration of Mailing Address. The owners of each unit shall have one registered mailing address to be used by the Association for mailing of monthly statements, notices, demands, and all other communications, and such registered address shall be the only mailing address of a person or

be in written form and signed by all of the owners of the unit or by such persons as are authorized by law to represent the interests of the owners thereof. If no such address is registered or if all of the owners cannot agree, then the address of the unit shall be the registered address until another registered address is furnished as permitted under this Article. Registered addresses may be changed from time to time by similar designation.

3. Required Proxies. If title to a unit is held by more than one person or firm, corporation, partnership, association or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended, or sooner terminated by operation of law; provided, however, that within thirty days after such revocation, amendment or termination the owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as is provided by this paragraph.

4. Compliance. The requirements contained in this Article shall be first met before an owner of a unit shall be deemed in good standing and entitled to vote at any special or annual meeting of members.

ARTICLE XII

Compliance

These By-Laws are intended to comply with the require-

ARTICLE XIII

Nonprofit Purpose

This Association is not organized for profit. No member, owner, member of the Board of Managers, or officer of the Association shall receive or shall be lawfully entitled to receive any pecuniary salary 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 Managers; provided, however, always (1) that reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member or manager may, from time to time, be reimbursed for this actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV

Seal

The corporate seal shall consist of concentric circles with the name of the corporation between same and with the words "Corporate Seal" and "Colorado" in the center.

ARTICLE XV

Utility Charges

The City of Glenwood Springs supplies water to the project and a separate main shut off is in existence. The City of Glenwood Springs also provides sewer and trash removal services to the project. The project is served by a central heating system the operation of which requires

billed separately. Inasmuch as the failure to pay such charges or any part thereof could result in the discontinuance of such services to the project as a whole, the Association shall pay and keep current all such water service charges regardless of any delinquency in the payment of any assessments which may at any time exist with regard to any particular unit or units. Nothing herein contained shall be deemed a waiver of the Association's right to recover any such delinquent assessments from the owner.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this 17th day of March, 1980.

BOARD OF MANAGERS

M B Moore
(SEAL)
[Signature]
(SEAL)
[Signature]
(SEAL)

The undersigned Secretary of Holliday House Property Owners Association, Inc., a Colorado corporation not for profit, does hereby certify that the above and foregoing By-Laws were duly adopted by the Board of Managers as the By-Laws of said corporation on the 17th day of March, A.D. 1980 and that they do now constitute the By-Laws of said corporation.

Dated this 17th day of March, A.D. 1980.

[Signature]
Secretary