

**MASTER BYLAWS  
OF  
ASPEN VILLAGE MASTER ASSOCIATION, INC.**

**ARTICLE 1  
INTRODUCTION**

These are the Bylaws of Aspen Village Master Association, Inc. which shall operate under the Colorado Nonprofit Corporation Act, as amended, and only to the extent applicable, the Colorado Common Interest Ownership Act, as amended ("Act"). The common interest community created by virtue of the Master Declaration for Aspen Village Planned Development is exempt from the provisions of the Act pursuant to CRS § 38-33.3-116(2). The name of the corporation is The Aspen Village Master Association, Inc., (hereinafter referred to as the "Association").

**ARTICLE 2  
BOARD**

**Section 2.1 Number and Qualification - Termination of Declarant Control.**

(a) The affairs of the common interest community and the Association shall be governed by a Board of Directors (the Executive Board) which, until the termination of the period of Declarant control, as defined in the Articles (the "Declarant Approval Period"), shall consist of at least three persons (and may be increased up to 5 persons by amendment of these Bylaws). If any Lot is owned by a partnership or corporation, any officer, partner or employee of that Lot Owner shall be eligible to serve as a Director and shall be deemed to be a Lot Owner for the purposes of the preceding sentence. After termination of the Declarant Approval Period, Directors shall be elected by the Lot Owners. At any meeting at which Directors are to be elected, the Lot Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

(b) The terms of at least one-third of the Directors not appointed by the Declarant shall expire annually, as established in a resolution of the Lot Owners.

(c) The Declarant shall govern appointment of Directors of the Board of Directors during the Declarant Approval Period.

(d) The Board of Directors shall appoint the officers. The Directors and officers shall take office upon the date of election or appointment, as the case may be.

(e) At any time after Lot Owners, other than the Declarant, are entitled to elect a Director, the Association shall call a meeting and give not less than 10 nor more than 50 days' notice to the Lot Owners for this purpose. This meeting may be called and the notice given by any Lot Owner if the Association fails to do so. Election of Directors shall be by simple majority vote of the members at the annual meeting.

**Section 2.2 Powers and Duties.** The Board of Directors may act in all instances on behalf of the Association, except as provided in the Declaration, or these Bylaws. The Board of Directors shall have, subject to the limitations contained in the Declaration, the powers and duties necessary for the administration of the affairs of the Association and of the common interest community, including the following powers and duties:

- (a) Adopt and amend Master Bylaws, Master Rules and Regulations, or the Design Review Criteria (DRC);
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments (including special and default assessments) for Common Expenses from Lot Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees, independent contractors and agents other than managing agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings, impose liens, or seek injunctive relief for violations of the Association's Declaration, Bylaws, Rules and Regulations or DRC in the Association's name, on behalf of the Association or two or more Lot Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property;
- (k) Grant easements for any period of time, including permanent easements, conservation easements, wetlands easements, and grant leases, licenses and concessions, through or over the Common Elements, including the ability to license or lease signage;
- (l) Impose and receive a payment, fee or charge for services provided to Lot Owners and for the use, rental or operation of the Common Elements, including the ability to charge fees for the lease of signage;
- (m) Impose a reasonable charge (18% per annum) for late payment of assessments,

recover reasonable attorney's fees and other legal costs for collection of assessments and other action to enforce the power of the Association (regardless of whether or not suit was initiated) and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, and Rules and Regulations (if any) of the Association;

(n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

(o) Provide for the indemnification of the Association's officers and the Board of Directors and maintain Directors' and officers' liability insurance;

(p) Exercise any other powers conferred by the Declaration or Bylaws;

(q) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association;

(r) Exercise any other power necessary and proper for the governance and operation of the Association;

(s) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot Owners and the Board of Directors. However, actions taken by a committee may be appealed to the Board of Directors by any Lot Owner within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Board of Directors at its next regular meeting;

(t) Suspend the voting interests allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or, during any time in which an Owner is in violation of any other provision of the Governing Documents;

(u) Declare the office of a member of the Executive Board to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Executive Board during any one year period; and

(v) Establish, appoint and oversee the Design Review Committee as provided in Article 5 of the Declaration.

**Section 2.3 Manager.** The Board of Directors may employ a Manager for the Common Interest Community, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors may delegate to the Manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, Subdivisions

(c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget.

**Section 2.4 Removal of Directors.** The Lot Owners, by a vote of 67% of all persons present and entitled to vote, at any meeting of the Lot Owners at which a quorum is present, may remove any Director of the Board of Directors, other than a Director appointed by the Declarant, with or without cause. Written ballots, pursuant to Section 3.12 shall not be utilized for this meeting.

**Section 2.5 Vacancies.** Vacancies in the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Lot Owners, may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. For purposes of this meeting, a quorum of fifty percent (50%) of the Owners shall be required. Any member of the Executive Board appointed by the Declarant during the Declarant Approval Period may only be removed by the Declarant. These appointments (as a result of vacancies) shall be made in the following manner:

(a) As to vacancies of Directors whom Lot Owners other than the Declarant elected, by a majority of the remaining elected Directors constituting the Board of Directors; and

(b) As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

**Section 2.6 Regular Meeting.** The regular annual meeting of the Board of Directors shall be held within 10 days after the annual meeting of Lot Owners. The time and place shall be set by the Board of Directors. At this meeting, the officers shall be elected by the Board. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Board of Directors may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

**Section 2.7 Special Meetings.** Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three business days' notice to each Director. The notice shall be hand-delivered, mailed or emailed and shall state the time, place and purpose of the meeting.

**Section 2.8 Location of Meetings.** All meetings of the Board of Directors shall be held within a radius of 10 miles of the Property, unless all Directors consent to another location.

**Section 2.9 Waiver of Notice.** Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

**Section 2.10 Quorum of Directors.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 2.11 Consent to Corporate Action.** If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case may be. The secretary shall file these consents with the minutes of the meetings of the Board of Directors.

**Section 2.12 Telephone Communication in Lieu of Attendance.** A Director may attend a meeting of the Board of Directors by using an electronic (real-time email communication) or telephonic communication method whereby the director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

**Section 2.13 Conflicts of Interest.** If any contract, decision or other action taken by or on behalf of the Board would financially benefit any member of the Board and unreasonably effect any person who is a parent, grandparent, spouse, child or sibling of a member of the Board or a parent or spouse of any of those persons, that member of the executive board shall declare a conflict in an open meeting, prior to any discussion or action on that issue. Ownership of a Lot within Aspen Village shall not be deemed to constitute a "conflict" of interest for purposes of this Section. After making such declaration, the member may participate in the discussion but shall not vote on that issue. Any contract entered into in violation of this section is void and unenforceable, but only if it can be shown that the contract results in an inappropriate benefit to the Board member having such conflict. The standard for determining the "inappropriateness" of the benefit shall be the "business judgment rule" as defined by Colorado case law.

## **ARTICLE 3 LOT OWNERS**

**Section 3.1 Annual Meeting.** Annual meetings of Lot Owners shall be held the last week in July of every year in Pagosa Springs, Colorado at such place and date set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Lot Owners (after the Declarant Approval Period), in accordance with the provisions of Article 2 of the Bylaws. The Lot Owners may transact other business as may properly come before them at these meetings. The Declarant shall determine the time and place of the initial annual meeting of Lot Owners which shall occur no later than the date upon which the Declarant commences the first levy of Assessments.

### **Section 3.2 Budget.**

(a) Prior to the first levy of any Assessments, and, thereafter, on or before July 1 of each calendar year, the Executive Board shall adopt the proposed annual budget for the Association for the following calendar year that sets forth: (i) the Executive Board's estimates of common expenses for the next calendar year; and (ii) the amount of funds for such common expenses that the Executive Board proposes to raise through all Assessments.

(b) The proposed annual budget shall be sent to all Owners for approval; provided, however, that unless seventy-five (75) percent of all votes within the Association, whether or not a quorum is present, rejects the proposed annual budget, the proposed annual budget shall be deemed ratified. If the Executive Board deems it necessary to amend an annual budget that has been ratified by the Owners, the proposed amendment shall also be sent to all Owners and, unless seventy-five (75) percent of all votes within the Association, whether or not a quorum is present, rejects the proposed amendment, the proposed amendment shall be deemed ratified.

**Section 3.3 Special Meetings.** Special meetings of the Association may be called by the president, by a majority of the members of the Board of Directors or by written request of Lot Owners comprising at least 20 percent of the votes in the Association. A request by the Owners shall state the purpose of such meeting and the matter proposed to be acted upon at the special meeting.

**Section 3.4 Place of Meetings.** Meetings of the Lot Owners shall be held at the principal office of the Association or may be adjourned to a suitable place convenient to the Lot Owners, as may be designated by the Board of Directors or the president.

**Section 3.5 Notice of Meetings.** The secretary or other officer specified in the Bylaws shall cause notice of meetings of the Lot Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner, not less than 10 nor more than 50 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice. The notice of any meeting shall be physically

posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic position or electronic mail notices. The notice must state the time and place of any meeting at the items in the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of an Executive Committee.

To the extent possible, notice of meetings shall be provided in an electronic form, by posting on a web site or otherwise, in addition to providing Owners with printed forms. If such electronic means are available, the association shall provide notice of all regular and special meetings of Lot owners by electronic mail to all Lot Owners who so request and who furnish the association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least 24 hours before the meeting.

**Section 3.6 Waiver of Notice.** Any Lot Owner may, at any time, waive notice of any meeting of the Lot Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

**Section 3.7 Adjournment of Meeting.** At any meeting of Lot Owners, a Majority of the Lot Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

**Section 3.8 Order of Business.** The order of business at all meetings of the Lot Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Board of Directors (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Directors of the Board of Directors (when required);
- (h) Ratification of budget (if required and noticed);
- (h) Unfinished business; and

- (j) New business.

**Section 3.9 Voting.**

(a) The owner(s) of each Lot shall have one (1) vote which shall be equal to the amount of the acreage comprising such Lot as provided in Section 9.6 of the Declarations. Open Space A and Open Space B shall not have voting rights.

(b) If only one of several owners of a Lot is present at a meeting of the Association, the owner present is entitled to cast all the Votes allocated to the Lot. If more than one of the owners is present, the Votes allocated to the Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the Votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot.

(c) Votes allocated to a Lot may be cast under a proxy duly executed by a Lot Owner. A Lot Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

(d) The Vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Directors of directors or Bylaws of the owning corporation or business trust. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified to vote.

- (e) Votes allocated to a Lot owned by the Association may not be cast.

**Section 3.10 Quorum.** Except as otherwise provided in these Bylaws, a quorum is deemed present throughout any meeting of the Lot Owners, if persons entitled to cast 20% of the voters are present in person or by proxy.

**Section 3.11 Majority Vote.** The Vote of a majority of the Lot Owners (casting one vote per Lot) present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes except where a higher percentage Vote is required in the Declaration, these Bylaws or by law.

**Section 3.12 Voting by Mail.** Except as limited by Section 2.4 above, the Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot.



Any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot, and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.5 above.

(a) A written ballot shall (i) set forth the proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter.

**Section 3.13 Conduct At Meetings.** All meetings of the Association and Board of Directors are open to every Lot Owner of the Association, or to any person designated by a Lot Owner in writing as the Lot Owner's representative, and all Lot Owners or Designated Representative so desiring shall be permitted to attend, listen and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board of Directors, Lot Owners who are not Board Members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the Majority of a Quorum of the Board.

The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Lot Owner a Lot Owner's representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

## **ARTICLE 4 OFFICERS**

**Section 4.1 Designation.** The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president and vice president, but no other officers, need to be Directors. Any two offices may be held by the same person, except the offices of president and secretary. The office of vice president may be vacant.

**Section 4.2 Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. They shall hold office at the pleasure of the Board of Directors.

**Section 4.3 Removal of Officers.** Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

**Section 4.4 President.** The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Lot Owners and of the Board of Directors. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Lot Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

**Section 4.5 Vice President.** The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Board of Directors or by the president.

**Section 4.6 Secretary.** The secretary shall keep the minutes of all meetings of the Lot Owners and the Board of Directors. The secretary shall have charge of the Association's books and papers as the Board of Directors may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

**Section 4.7 Treasurer.** The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board of Directors and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board of Directors. Except for reserve funds described below, the treasurer may have custody

of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.

**Section 4.8 Agreements, Contracts, Deeds, Checks, etc.** Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any two officers of the Association or by any other person or persons designated by the Board of Directors.

**Section 4.9 Statements of Unpaid Assessments.** The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as a Common Expense against the Lot for which the certificate or statement is furnished.

## **ARTICLE 5 ENFORCEMENT**

**Section 5.1 Abatement and Enjoyment of Violations by Lot Owners.** The violation of any of the Rules and regulations adopted by the Board of Directors or the breach of any provision of the Master Declarations, Bylaws, Rules and Regulations, and Design Review Criteria (the "Governing Documents") shall give the Board of Directors the right, after prior written notice to the Owner of the violation and providing a 45 day period to cure said violation (except in case of an emergency), in addition to any other rights set forth in these Bylaws:

(a) To enter upon the Lot in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any non-compliant structure, thing or condition or any such structure or condition that is creating a danger to the Common Elements and/or which is contrary to the intent and meaning of the provisions of the Governing Documents. The Board of Directors shall not be deemed liable for any manner of trespass by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or

(c) To levy finds as provided for in the Declaration and Section 5.2 below.

**Section 5.2 Fine for Violation.** In addition to the above action set forth in 5.1, the Board of Directors may levy a fine for violations of restrictions and covenants of the Declarations or Rule and Regulations of up to fifty dollars (\$50.00) per day for each day that a violation of the Declarations, or any rules persists after notice and hearing. Violations of the Design Review Criteria shall be as determined by the DRC pursuant to Section 5.17 of the Declarations.

**Section 5.3 Interest on Overdue Assessments.** Interest on overdue assessments or other payments due hereunder shall accrue interest at the rate of 18% per annum as of the date when such payment/assessment was due. The Board of Directors may, by resolution, adopt a higher interest rate so long as in compliance with Colorado law.

## **ARTICLE 6 INDEMNIFICATION**

The Directors and officers of the Association shall be entitled to indemnification, to the fullest extent provided in Colorado Nonprofit Corporation Act, the provisions of which are incorporated by reference and made a part of this document.

## **ARTICLE 7 RECORDS**

**Section 7.1 Records and Audits.** The Association shall maintain financial records in accordance with generally accepted accounting principals. The cost of any audit shall be a Common Expense unless otherwise provided in the Documents.

**Section 7.2 Examination.** All records maintained by the Association or the Manager shall be available for examination and copying by any Lot Owner, any holder of a Security Interest in a Lot or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

**Section 7.3 Records.** The Association shall keep the following records:

- (a) An account for each Lot, which shall designate the name and address of each Lot Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;
- (b) An account for each Lot Owner showing any other fees payable by the Lot Owner;
- (c) A record of any capital expenditures in excess of two thousand five hundred dollars (\$2,500.00) approved by the Board of Directors for the current and next two succeeding fiscal years;

- (d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
- (e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (f) The current operating budget adopted;
- (g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- (h) A record of insurance coverage provided for the benefit of Lot Owners and the Association;
- (i) A record of any alterations or improvements to Lots or improvements thereon which violate any provisions of the Declarations of which the Board of Directors has knowledge;
- (j) A record of any violations, with respect to any portion of Aspen Village of health, safety, fire or building codes or laws, ordinances, or regulations of which the Board of Directors has knowledge;
- (k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
- (l) Balance sheets and other records required by local corporate law;
- (m) Tax returns for state and federal income taxation;
- (n) Minutes of proceedings of incorporators, Lot Owners, Directors, committees of Directors and waivers of notice; and
- (o) A copy of the most recent versions of the Master Declaration, Bylaws, Rules and Regulations, Design Review Criteria, and resolutions of the Board of Directors, along with their exhibits and schedules.

## **ARTICLE 8 MISCELLANEOUS**

**Section 8.1 Notices.** All notices to the Association or the Board of Directors shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Board of Directors may designate by written notice to all Lot Owners

and to all holders of Security Interests in the Lots who have notified the Association that they hold a Security Interest in a Lot. Except as otherwise provided, all notices to any Lot Owner shall be sent to the Lot Owners' address as it appears in the records of the Association. All notices to holders of Security Interests in the Lots shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

**Section 8.2 Fiscal Year.** The Board of Directors shall establish the fiscal year of the Association as December 31<sup>st</sup>.

**Section 8.3 Bank Accounts.** The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors.

**Section 8.4 Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**Section 8.5 Office.** The principal office of the Association shall be on the Property or at such other place as the Board of Directors may from time to time designate.

**Section 8.6 Reserves.** As a part of the adoption of the regular budget the Board of Directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

**Section 8.7 Standard of Care.** In the performance of their duties, the officers and Directors are required to exercise (i) if appointed by the Declarant, the care of fiduciaries of the Owners and (ii) if elected by the Owners, ordinary and reasonable care.

**Section 8.8 Common Expenses Payable by the Declarant.** Until the sale of the first Lot, the Declarant shall be solely responsible for all Common Expenses.

**Section 8.9 Conflicts of Documents.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

**ARTICLE 9  
AMENDMENTS TO BYLAWS**

**Section 9.1** The Bylaws may be amended only by a majority vote of the members of the Board of Directors, following notice and comment to all Lot Owners, at any meeting duly called for such purpose.

**Section 9.2** No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage covering any Lot or which would change the provisions of the Bylaws with respect to institutional mortgagees of record.

**ARTICLE 10  
NOTICE AND HEARING PROCEDURES**

**Section 10.1** The following procedures for notice and hearing shall apply in the enforcement of the Declarations, Bylaws and these Rules and Regulations (the "Governing Documents").

- i. Actions prior to initiation of formal special resolution process. Any Owner and the Board of Directors has the authority to request that an Owner or an Owner's guests or tenants cease or correct any act or omission which appears to be a violation of the Governing Documents. ("Alleged Violation"). Such informal request may be made (and is encouraged) before the formal process (as described herein) is initiated.
- ii. Written statement. If the actions described in (i) above prove unsuccessful, the violation procedures process shall be initiated upon filing a written statement by any Owner or by any officer or member of the Board. Such written statement may be acted upon by the Executive Director of the Board. The written statement shall set forth in ordinary and concise language the acts or omissions which the author believes occurred and shall include as many specifics as are available as to time, date, location and persons involved, so that the complaint may be investigated and verified.
- iii. Letter to Owner. If it is determined that an Alleged Violation has occurred, the Executive Director shall send a letter regarding same to the Owner. The letter shall require the Alleged Violation cease within such period of time as the Board deems reasonable, based upon the nature of the Alleged Violation. The letter shall be mailed to the last known address of the Owner, via certified and regular mail.
- iv. Imposition of Fine. If the Alleged Violation has not ceased within the manner and period of time set forth in the letter to Owner, the Executive Director shall

notify the Owner that the Board shall proceed to levy a fine pursuant to Section 5.2, charge attorney fees or take such other actions as authorized by the Governing Documents.

- v. Dispute by Owner. In the event an Owner disputes the Alleged Violation, the Owner may request a hearing from the Board within fifteen (15) days of the date of the letter to Owner. Such request for hearing shall be in writing and addressed to the Executive Director. The Executive Director shall send a second letter to the Owner then informing the Owner of the time and place at which the Board will hear the matter; that the Owner has an opportunity to attend (in person or by telephone) and be heard at such meeting; and that the Board has the authority, upon determination that a Violation has occurred, to levy fines, charges, attorney's fees and other monies, and to take such other action as is authorized by the Association's Governing Documents and Colorado law. At the discretion of the Board, fines may be retroactive to the date of the original imposition of said fine.
- vi. Constraints on the Board. It shall be incumbent upon each member of the Board to make a determination as to whether he or she is able to function at the hearing in a disinterested fashion. If such member is incapable of objective consideration in the case, he or she shall disclose such to the committee and remove himself or herself from the proceedings and have it so recorded in the minutes.
- vii. Hearing. The hearing will not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Decisions of the Board may be made "under advisement," i.e. at a later date and time but not to exceed 7 days from the date of the hearing. All decisions of the Board are effective three days after written notice is sent to the Owner (via regular, first class mail).
- viii. Failure to Attend. If the accusing party fails to attend the hearing (in person or by telephone), the violation shall be deemed to have occurred and the Board shall be authorized to impose the fine, charges and/or attorney's fees.

**10.2 Joint and Several Liability.** If there are multiple Owners, each shall be jointly and severally liable for any fine or other monetary penalty imposed pursuant to the enforcement of the Governing Documents, including, but not limited to, all attorney's fees, expert witness fees and costs incurred by the Association resulting from or in any way related to the violation or the collection of fines.



**10.3 Remedy.** Each remedy set forth in this Section shall be in addition to all other remedies, whether available at law or in equity, and all such remedies, whether or not set forth in the Governing Documents, shall be cumulative and nonexclusive.

ATTEST: Certified to be the Bylaws adopted by consent of the Board of Directors of Aspen Village Master Association, Inc., January 16, 2006.

*Rochelle Ward*  
Rochelle Ward, Secretary



ASPEN VILLAGE HOA VOTING SHARES

Block #	Lot #	Acreage	% Voting Share	Estimated Dues Per Year
1	1	10.29	16.74%	\$18,569.21
2	1	4.03	6.56%	\$7,272.49
3	1	0.88	1.43%	\$1,588.04
3	2	0.87	1.42%	\$1,569.99
3	3	5	8.14%	\$9,022.94
3	4	1.02	1.66%	\$1,840.68
3	5	1.36	2.21%	\$2,454.24
3	6	0.9	1.46%	\$1,624.13
4	1	1.37	2.23%	\$2,472.29
4	2	0.69	1.12%	\$1,245.17
4	3	0.85	1.38%	\$1,533.90
4	4	3	4.88%	\$5,413.77
5	1	1.24	2.02%	\$2,237.69
5	2	0.86	1.40%	\$1,551.95
5	3	1.72	2.80%	\$3,103.89
5	4	1.03	1.68%	\$1,858.73
5	5	0.73	1.19%	\$1,317.35
6	1	4.52	7.35%	\$8,156.74
6	2	1.06	1.72%	\$1,912.86
6	3	0.99	1.61%	\$1,786.54
7	1	3.36	5.47%	\$6,063.42
8	1	0.85	1.38%	\$1,533.90
8	2	1.25	2.03%	\$2,255.74
8	3	6.48	10.54%	\$11,693.73
8	4	1.54	2.51%	\$2,779.07
9	1	0.7	1.14%	\$1,263.21
9	2	0.65	1.06%	\$1,172.98
9	3	0.62	1.01%	\$1,118.84
9	4	0.9	1.46%	\$1,624.13
9	5	1.51	2.46%	\$2,724.93
D	1	0.66	1.07%	\$1,191.03
D	2	<u>0.53</u>	<u>0.86%</u>	<u>\$956.43</u>
<b>Totals</b>		<b>61.46</b>	<b>100.00%</b>	<b>\$110,910.00</b>

Open Space	A	5.18	N/A
Open Space	B	<u>1.24</u>	N/A
		6.42	

Total Development Acres                      67.88

THIS IS AN ESTIMATE AND DUES ARE ANTICIPATED TO INCREASE AS COST GO UP.



**ORGANIZATIONAL MINUTES OF FIRST MEETING  
OF EXECUTIVE BOARD OF  
ASPEN VILLAGE MASTER ASSOCIATION, INC.**

The first meeting of the executive board of Aspen Village Master Association, Inc. a Colorado non-profit corporation, (Corporation) was held on January 16, 2006, at 9:00 a.m., at 390 Boulder Drive, Suite 200, Pagosa Springs, CO 81147. Present at the meeting were Mike Church, Rochelle Ward and Dan C. Sanders, Jr.. The purpose of the meeting was to adopt the Bylaws of the Corporation and discuss and adopt an estimated Master Association budget and consider certain other business.

Upon motion duly made, seconded and carried, Mike Church was elected Chairman and Rochelle Ward was elected Secretary of the meeting.

A proposed draft of the form of Bylaws dated February 2006 for the Corporation was presented for discussion. After discussion was held, upon motion duly made, seconded and carried, it was RESOLVED that the proposed draft of Bylaws be adopted. The Board proceeded to authorize the Secretary to certify the Bylaws as adopted.

Upon motion duly made, seconded and carried, it was RESOLVED that the following persons would be appointed by the Declarant as the directors of the Corporation and would hold such positions until his or her successors shall have been duly qualified and elected according to the terms of the Bylaws:

Mike Church  
Rochelle Ward  
Dan C. Sanders, Jr.

Upon motion duly made, seconded and carried, it was RESOLVED that the following persons would be elected officers of the Corporation and would hold such positions until the annual meeting of members of the Corporation and/or until his or her successor shall have been duly qualified and elected:

Mike Church	President
Dan C. Sanders, Jr.	Vice President
Rochelle Ward	Secretary / Treasurer

Upon motion duly made, seconded and carried, it was RESOLVED that Citizens Bank of Pagosa would be designated as the Corporate depository, with checks drawn on this account to be signed by any officer of the Corporation.

The Board of Directors discussed implementation and appointment of the Development Review Committee as required by the Declaration. Upon motion duly made, seconded and carried, it was RESOLVED that the following persons would comprise the Development Review Committee ("DRC"):

Mike Church  
Rochelle Ward  
Todd Miller  
Dan C. Sanders, Jr.  
Mark Kneedy

And that the DRC could establish a schedule of fees for plan submittal and approval and that the Association would reimburse the DRC for reasonable out-of-pocket expenses incurred by it.

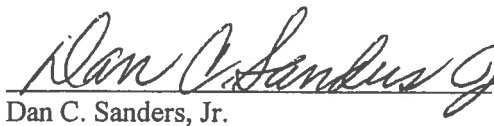
A proposed draft of the annual Master Association budget was presented for discussion. After discussion was held, upon motion duly made, seconded and carried, it was RESOLVED that the proposed budget be disclosed to the new members and potential buyers.

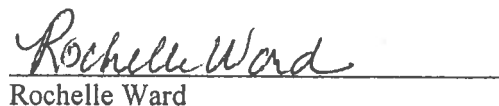
There being no further business, the meeting was duly adjourned.

IN WITNESS WHEREOF THE UNDERSIGNED have hereunto set their hands this 16 day of January, 2006.

EXECUTIVE BOARD

  
Mike Church

  
Dan C. Sanders, Jr.

  
Rochelle Ward

## MASTER ASSOCIATION ESTIMATED MAINTENANCE COSTS

<b>Description</b>	<b>Cost</b>
Electricity	3,000.00
Water	33,360.00
Landscape Maintenance	33,000.00
Light Pole/Street Sign Maintenance	3,000.00
Tree/Shrub Replacement	2,700.00
Seasonal beds entries	2,000.00
Irrigation Maintenance	2,750.00
Storm Drain Maintenance	750.00
Property Tax	1,500.00
Insurance	2,500.00
Accounting Services	2,200.00
Misc. Professional Services	1,750.00
Property Mgmt.	14,400.00
Misc. Expense	<u>8,000.00</u>
<b>Total</b>	<b>110,910.00</b>

