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Bylaws of
The Seven Springs Owners Association

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**Bylaws
OF
The Seven Springs Owners Association
(Not for profit)**

These Bylaws have been adopted by the Board of Directors of The Seven Springs Owners Association, a corporation organized under the Colorado Nonprofit Corporation Act (Article 20 to 29, Title 7, Colorado Revised Statutes, 1973) The purpose of the Association is to govern and administer on a non-profit basis the condominium project situate in the City and County Of Denver, known as Seven Springs.

**Article I
Members**

- Section 1.1 Members: Ownership of a Condominium is required in order to qualify form membership in this association. An Owner of a Condominium on becoming such an Owner shall automatically be a Member of the Association and be subject to these bylaws. Such membership shall terminate without any formal Association action whenever the former Owner ceases to own a Condominium but such termination shall not relive or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association, impair any right or remedies which the Association or its Board of Directors or others may have against such former Owner and member arising out of or in any way connected with ownership and membership. No certificates of stock shall be issued by the Association, but it may, if it so elects, issue membership cards or certificates to Owners of condominiums such cards or certificates to be surrendered on termination ownership.
- Section 1.2 Voting Power: There shall be vested in the members a total of 240, one vote for each Condominium. When the Owners of a Condominium number more than one, the vote for that Condominium shall be exercised as they determine among themselves. In no event shall the be a split vote with respect to a Condominium.
- Section 1.3 No Cumulative Voting: Cumulative voting is not permitted in election of directors or in any other action of the members.
- Section 1.4 Proxies: A Member may vote in person or by written proxy bearing date of execution, filed with the secretary at least twenty-four hours before the vote and revocable only on notice. A proxy for the vote of a Condominium with more than one Owner must be signed by all Owners. A proxy shall expire eleven months after the date of its execution unless otherwise provided in the proxy.
- Section 1.5 Mortgagees as Proxies: Owners may irrevocable constitute and appoint their First Mortgagee their true and lawful attorney and proxy to exercise their voting right as Members. Such proxy shall become effective upon filing with the Secretary of the Association and shall remain in force until release of the First Mortgage or until surrendered by the First Mortgagee. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the beneficiary of the encumbrance the duties and obligations of an Owner.
- Section 1.6 Quorum: One tenth of the total voting power vested in the Members shall constitute a quorum. If a quorum is present in person or by proxy a majority of the voting power of these present shall be the act of the Members, except for action for which the statutes, the Articles of Incorporation, these Bylaws or the Declaration require a larger vote.
- Section 1.7 Proof of Membership: On acquiring a Condominium the Owner, whether one or more, shall deliver to and leave with the Association a photocopy or certified copy of the recorded instrument by which the Owner acquired the Condominium, and until such a copy is so delivered the new Owner may not exercise the privilege of membership in the Association and may not vote at any annual or special meeting of members.

Article II
Meeting of Members

- Section 2.1 Annual Meeting: On October 1 of each year beginning with 1982, the annual meeting of the members shall be held for the election of directors and for the transaction of such other business as may come before the meeting. If October 1 is a holiday, the meeting shall be held on the next succeeding business day.
- Section 2.2 Special Meetings: Special meetings of the Members may be call by the president or by the Board of Directors, or by Members holding at least one-third of the total voting power vested in the Members. (80 members)
- Section 2.3 Place and Hour of Meetings: Membership meeting shall be held in the Club House in Seven Springs at 4:30 o'clock P.M.
- Section 2.4 Notice of Meetings: Written notice of meeting of the members, stating the place, time and purpose of the meeting shall be given to each member by the secretary (or if the secretary fails to act, by any officer) not less than ten (10) nor more than fifty (50) days before the date of the Meeting. Notice shall be sufficiently given if mailed toe the address required by the member by written instruction filed with the secretary: in the absence of such instructions notice shall be sufficiently given if mailed or delivered to the Members residence. Notice of special meeting shall state the business to be transacted at the meeting
- Section 2.5 Adjourned Meetings: Those Members represented in person for by proxy at any meeting at which there is less than a quorum present may by majority vote adjourn the meeting from time to time until a quorum is obtained.
- Section 2.6 Order of Business: At meetings of the Members the order of business shall Be:
- (a) Roll Call
 - (b) Proof of notice of meeting or wavier of notice
 - (c) Reading of minutes.
 - (d) Reports of officers
 - (e) Reports of committees
 - (f) Election of directors, if applicable
 - (g) Unfinished business
 - (h) New business.
- Section 2.7 Parliamentary Rules: Roberts Rules of Order (latest edition) shall govern the conduct of proceedings at Association meetings.

Article III
Board of Directors

- Section 3.1 Number of Directors, Terms: The number of directors and their terms shall be fixed by these Bylaws. The initial Board of Directors shall consist of two (2) directors, designated in the Association's Articles of Incorporation. Their successors shall be designated by the votes vested in Condominiums owned by Declarant and the voting power reserved to Declarant by the Declaration. Declarant, through such votes shall have the right to designate and to remove the directors until Declarant surrenders this right or until Declarant owns fewer than 25 Condominiums, or until December 11, 1983, whichever first occurs. Thereafter, there shall be six directors all of whom shall be Members, and all of whom shall be elected by vote of all the membership, the Members (including Declarant), exercising the respective voting power of their Condominium. Of the six directors first elected by the Members, two shall be elected for a term of one year, two for a term of two years and two for a term of three years, so that the terms of two directors will expire each year. At each following annual meeting the Members shall elect from the Members directors for terms of three years to assure the directors whose terms are expiring.

- Section 3.2 Holding over, Vacancies: A director shall continue in office after the expiration of his term, until his removal, or until his successor is elected. If a director resigned, is deceased or is removed, the remaining directors, although less than a quorum, may be majority vote fill the resulting vacancy for the period until the next annual meeting of the Members.
- Section 3.3 Meetings of the Board of Directors: A regular annual meeting of the Board of Directors shall be held without call or notice immediately following the annual meeting of the Members and at the same place or, if the annual meeting of the Members be delayed or omitted, then at the time and place fixed for the annual meeting of the Members. Regular meeting of the Board of Directors shall be held in the Club House in Seven Springs or at any other place agreeable to the directors. Special meeting may be call by the president, or by two or more directors. At least three (3) calendar days' prior notice of the time and place of a special meeting shall be given to each director by telephone or telegraph or by leaving notice with the directors or at the director's residence. Noticed need not state the purposes of the meeting. No notices of any adjourned meeting of the directors shall be required.
- Section 3.4 Quorum: A majority of the directors constitutes a quorum. If there is a quorum at the beginning of a meeting the act of a majority of the directors present at the meeting shall be the act of the directors.
- Section 3.5 powers of the Board: The Board of Directors shall manage and exercise general supervision over the affairs of the Association. The Board of Directors has full authority to take action on any matter with respect to which the Declaration, the Articles of Incorporation or the Statutes of Colorado do not call for authorization or consent of the Members.
- Section 3.6 Personnel, Manager, and Managing Agent: The Board of Directors may designate and remove personnel necessary for the operation, maintenance, repair and replacement of the Common Elements and the recreational facilities and the real and personal property owned by the Association. The Board of Directors my engage the services of a manager or a managing agent or both and may from time to time delegate to the manager or the managing agent any or all of the powers and duties of the Board of Directors or of an officer except the board's responsibilities to exercise supervision ver the affairs of the Association and the power to make assessments. Directors and officers shall not be liable for the failures of a manager or managing agents or other delegate properly to exercise or to discharge any delegated duty.
- Section 3.7 Rules Regulations and Charges: The Board of Directors may be resolution established and amend rule and regulations for use and enjoyment of the Common Elements, the residences and Association property including previsions calculated to prevent unreasonable interference with enjoyment by others, and provisions for charges to Members for use of facilities, which rules, regulations and amendments shall be effective upon delivery of a copy to each of the Residences in Seven Springs.
- Section 3.8 Penalties for Infractions: The Association's rule and regulations may provide for the suspension of the rights of membership and right of use of the Common Elements and facilities while assessments remain delinquent or while Members or residents are in violation of the Declaration, these Bylaws or the Association's rules or regulations.
- Section 3.9 Borrowing Powers: Authorization of the association to Borrow funds and the propriety of such borrowing shall be conclusively established by resolution duly adopted by the Board of Directors. The Board of Directors shall designate the officers of the Association who are to execute the notes, Mortgages and other instruments evidencing or securing the Association's indebtedness.
- Section 3.10 Removal of Directors: Directors may be removed by vote of the Members as provided in the Colorado nonprofit Corporation Act.

Article IV

Officers

- Section 4.1 **The Officers:** The officers of the Association shall be a president, vice president, secretary and a treasurer, all of whom shall be elected by and from the Board of Directors and any of whom may prepare, execute, certify and record amendments to the Declaration on behalf of the Association. The board may also appoint additional vice presidents, an assistant secretary, and an assistant treasurer.
- Section 4.2 **President:** The president shall preside over meetings of the Board of Directors and of the Members. The president shall have general supervision over the officers, employees and agents of the Association. He is empowered to sign deeds, conveyances and reports. He shall perform all other acts of the office of president or that may be required by him any bylaws or by the Board of Directors. He may delegate and sub-delegate his management functions as from time to time to him seems appropriate.
- Section 4.3 **Vice President:** The vice-president shall assist the president and shall perform such other duties as may be prescribed from time to time by the Board of Directors.
- Section 4.4 **Secretary:** The secretary shall keep the minutes of meetings of the Board of Directors and of the Members, shall give notice of meetings of Members, shall be custodian of the corporate seal, shall attest the corporate seal, and shall perform all duties customarily incident to the office of secretary and those prescribed by the Board of Directors.
- Section 4.5 **Treasurer:** the treasurer shall keep all financial records and books of accounts and my act through delegates as he selects including but not limited to any manager or managing agent designated by the Board of Directors.
- Section 4.6 **Assistant Secretary or Treasurer:** The assistant secretary shall assist and act for the secretary and the assistant treasurer shall the assist and act for the treasurer as directed by the Board of Directors.
- Section 4.7 **Combined Offices:** The office of secretary and treasurer may be held by the same person, The office of assistant secretary and assistant treasurer may be held by the same person. A secretary, a treasurer, an assistant secretary or an assistant treasurer may not hold the office of president or vice president.
- Section 4.8 **Election and Removal:** The Board of Directors shall elect the officers at the regular annual meeting of the board or a special meeting if the regular annual meeting is omitted. The Board of Directors may remove an officer and may fill a vacancy caused by the resignation or removal of an office.
- Section 4.9 **Holding Over:** An officer shall continue in office after the expiration of his term until his successor is elected or until his removal.

Article V

Action By Members, Directors or Officers

- Section 5.1 **Action by Members, Directors or Officers:** Any action which may be taken at a meeting of the Members or the Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Members or all of the directors entitled to vote with respect to the subject matter of the action.
- Section 5.2 **Waiver of Notice:** A waiver of notice in writing signed by the one entitled to the notice whether before or after the time stated in the notice shall be equivalent to the giving of the notice. Attendance at a meeting shall constitute waiver of notice unless solely for the express purpose of objecting to the transaction of business because the meeting is not properly called or convened.
- Section 5.3 **Resignation:** A director or an officer may resign his office by written resignation which shall become effective without acceptance upon deliver to any officer of the Association.

Article VI
Records and Accounts

- Section 6.1 Receipts and Expenditures: The Association shall keep detailed, accurate records of its receipts and expenditures, assets, budgets, accounts, reserves and financial condition.
- Section 6.2 Statement of Accounts: Upon payment of a reasonable fee sufficient to compensate the Association for the work involved and the risk assumed and on ten (10) days notice the Association shall furnish a Member and his first Mortgagee a statement of the Member's account including the unpaid assessments or other charges against the Member's Condominium and the amount and due date of the current monthly payment on the annual assessment, which certificate shall be conclusive on the Association.
- Section 6.3 Other Accounts and Records: The Association shall keep a record of the names and addresses of the Members entitled to vote and shall keep complete books and records of all accounts and minutes of the proceedings of its Members and Board of Directors and all annual and special assessments.
- Section 6.4 Inspection of Records: All books and records of the Association may be inspected by any Member or his authorized agent for any proper purpose at convenient weekday business hours.
- Section 6.5 Mortgages: The Association shall maintain a record of each Mortgagee of any Condominium who has filed with the Association a notice of its lien and the name and address of the Mortgagee.
- Section 6.6 Annual Financial Statement: The Association shall provide each Member annually a statement in reasonable detail of the Association's receipts and disbursements since the last statement, and its cash, bank accounts and indebtedness as of the date of the statement.

Article VII
Association Activities

- Section 7.1 Services: The Association will provide for maintenance, repair replacement, improvement, operation and administration of the General Common Elements and the real and personal property belonging to the Association. The Association will procure hazard and other insurance as provided in the Declaration and such other insurance as the Association from time to time decides is advisable. Services provided by the Association and paid for out of the annual assessment shall include exterior and structural maintenance of Buildings: upkeep of General Common Elements, maintenance of grounds, streets, drives and parking areas: snow removal: domestic and irrigation water, electricity for the Common Elements: Lighting: heating for Seven Springs: maintenance and administration of recreational facilities. The Board of Directors may by resolution provide for additional services.
- Section 7.2 Limitation on Expenses: Except for restoration and replacement required by the Declaration in case of damage to or destruction of a Building, no project which will increase the annual budget by more than twenty-five (25%) per cent shall be undertaken except as approved by a resolution adopted by the Members.
- Section 7.3 Source of Funds: The Association shall obtain the funds required for its activities by assessments against the Condominiums and their Owners, from charges made by the Association, and from any cash flow or return from property owned by the Association.
- Section 7.4 Recreational Facilities: The major recreational facilities of Seven Springs are all recreational facilities which are available to all Members as provided in these Bylaws and the Declaration. The Association shall not provide any additional or new major recreational facilities and shall not undertake any additions to the Common Elements until expressly authorized by a vote of the Members.

Article VIII
Budget and Assessments

- Section 8.1 Preparation of Budget: At least on (1) month before the date for the annual meeting of the Member the Board of Directors or the Officers shall prepare and mail to each Member a proposed budget of anticipated financial requirements, reserves, expenses and other expenditures of the Association for the coming calendar year and the proposed annual assessments. The amounts of the various items of expenditure may be estimated from the costs already incurred by the Association or those incurred in comparable projects, and from available information and forecasts of future costs and needs.
- Section 8.2 Adoption of Budget: Assessments: At the organization meeting of the directors and at the first meeting of the directors on or following the regular date for the Member's annual meeting the Board of Directors shall adopt a budget and within the limit set by the Declaration shall fix the amounts of the annual assessments for the coming year for each Condominium and its Owner. Annual assessments shall be payable in advance monthly or at other intervals as set by the board.
- Section 8.3 Special Assessments: The board may adjust the annual assessment as it deems advisable from time to time. The board may levy special assessments whenever the board deems advisable to meet increased costs, to provide the maintenance and other work or outlays of the Association, or to remove or prevent a deficit. Special assessments shall be payable in advance in one sum or in installments as the board determines but no sooner than thirty (30) days after the first billing.
- Section 8.4 Appointment of Assessments to the Owners and Condominium Units: Except as to those expenses which the Board of Directors by vote of a majority of the whole board determines are for Limited Common Elements or benefit fewer than all Condominiums and should be assessed exclusively against the Condominiums benefited, common expenses shall be prorated and assessed among the Condominiums and their Owners in the proportions provided in the Declaration, to-wit:
- | | |
|-----------------------|----------|
| Each two-bedroom Unit | .4966442 |
| Each one-bedroom Unit | .3489932 |
- Section 8.5 Notice to Members of Budget and Assessments: The Association shall give the Members notice of each budget and of each assessment, annual or special, promptly after it has been adopted or fixed by the board.
- Section 8.6 Budget or Capital Expenditure Rejection: Any budget or capital expenditure may within thirty (30) days after its approval by the Board of Directors be rejected by vote of not less than seventy-five (75%) of the total voting power in the Members.
- Section 8.7 Billing: The Association may bill assessments fees and charges to Members or may arrange to have them collected along with the monthly installments of principal, interest and other debt service items associated with each Condominium. Overdue assessments fees and charges shall incur late charges set by the Association and shall bear interest at the rate fixed by the Association, not exceeding eighteen (18%) per cent annum.
- Section 8.8 Omitted Annual Assessments: If the board fails to fix the amount of the annual assessments for any calendar year, the assessments in effect for the preceding calendar year shall continue in effect until the board acts to fix the assessments.

Article IX
Enforcement of Protective Covenants

The Association in one of those granted the right of enforcement of the protective covenants and other provisions of the Declaration. The Association's expenses of such enforcement are a proper item for annual or special assessments.

Article X
Protection and Restriction of Officers and Directors

- Section 10.1 **Indemnity:** The Association shall indemnify any director or officer against expenses (including attorney's fees) actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The Association may also reimburse to any director or officer the reasonable costs of settlement of any such action, suit or proceeding, if it shall be found by a majority of the directors not involved in the controversy (Whether or not a quorum) that it was to the interest of the Association that such settlement be made and that such director or officer was not guilty of negligence or misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director or officer may be entitled under any Bylaw, agreement, vote of Members or otherwise.
- Section 10.2 **Conflicts of Interest:** An Officer or director may act for the Association although he is associated with or interested in another party which is involved in the transaction provided only that he has disclosed that interest to the Association and no other officer or director has made known any objections.
- Section 10.3 **Loans:** The Association shall not make any loan to any of its directors or officers .
- Section 10.4 **Compensation:** The Association shall not pay any compensation to the officers or directors for their services as such, but may pay reasonable compensation for services rendered the Association in other capacity.
- Section 10.5 **Fidelity Bonds:** The Board of Directors may require fidelity bonds from any officer, employee or agent who handles funds of the Association.

Article XI
Fiscal Year

The Association's fiscal year shall be the calendar year.

Article XII
Corporate Seal

The Association shall have a corporate seal which shall be circular in form and shall contain the name of the corporation and the words "Corporate Seal;" and "Colorado".

Article XIII
Definitions

Capitalized terms in these Bylaws have the same meaning as in the Declaration for Seven Springs.

Article XIV
Amendment

These Bylaws may be changed, amended or revoked by vote of the Board of Directors, or by vote of the Members present or represented at an annual meeting not having less than six (6%) per cent of the total voting power, but the Bylaws shall always include those matters required by the Condominium Ownership act.

Approved: _____
Initial Directors of the Seven Springs Owners Association: _____