

BY - LAWS

OF

GOLDEN HILLS HOMEOWNERS ASSOCIATION

Amended August 2, 1971

NOTE: Since there have been no lot sales prior to this date in Rockrimmon Subdivision, Golden Hills Filing No 1. there are no 'members" or "owners of the Association to vote on amendments. Therefore, these By-Laws have been amended by the Board of Directors of Golden Hills Homeowners Association.

Signed

Frank J. Parisi

President: Golden Hills Homeowners Association

President: Rockrimmon Land Company



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OF
GOLDEN HILLS HOMEOWNERS ASSOCIATION**

ARTICLE I

NAME, OFFICES AND MEETING PLACES. The name of the corporation is Golden Hills Homeowners Association, hereinafter referred to as the "Association". The principal office of the corporation and the office of the registered agent shall be located at 115 Barnes Avenue, Colorado Springs, County of El Paso, Colorado 80909. Meetings of members and directors shall be held at such places within the state of Colorado as shall be designated by the Board of Directors prior thereto.

ARTICLE II

DEFINITIONS

SECTION 1. "Association" shall mean and refer to Golden Hills Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants and Restrictions and such additions thereto as may hereafter be brought within the jurisdiction of the association.

SECTION 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the association.

SECTION 4 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 5 "Member" shall mean and refer to every person or entity who holds a membership in the association.



SECTION 6. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee title to any lot which is a part of the properties, except an owner who holds title or interest in any said lot merely as a security for the performance of an obligation.

SECTION 7. “Declarant” shall mean and refer to the Golden Cycle Corporation.

SECTION 8. “Developer” shall mean and refer to any person or entity who is the owner of two or more undeveloped lots which he or it was purchased directly from the declarant.

SECTION 9. “Declarant” shall mean and refer to the declaration of covenants and restrictions applicable to the properties in the office of the clerk and recorder of El Paso County, Colorado.

ARTICLE III

MEMBERSHIP

SECTION 1. Membership: Every person or entity who is a record owner of a fee interest in any lot which is subject by covenants of record to assessment by the association shall be a member of the association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the association. Ownership of such lot shall be the sole qualification for membership.

SECTION 2. Suspension of Membership Rights. During any period in which a member shall be in default in the payment of any annual or special assessment levied



by the association, the voting rights and right to use the common area and its recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the board of Directors governing the use of the common area and facilities.

ARTICLE IV

PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

SECTION 1. Each member and all members of his family who reside with him on his lot shall be entitled to use and enjoyment of the common area and facilities as provided in the declaration. Any member may delegate his rights of enjoyment of the common area and facilities to his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary of the association in writing of the name of any member of his family and any such delegees are subject to suspension to the same extent as those of the member.

SECTION 2. Irrespective of the fact that Section 2(b) of Article V of the declaration gives the association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the common area, this right shall not be exercised as to members for a period of five years from the date of the recordation of the declaration, and after this period, only upon written approval of two-thirds (2/3) of the entire Class A membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

SECTION 1. Number. The affairs of this association shall be managed by a board of six (6) directors, who need not be members of the association.



SECTION 2. Election. At the first annual meeting, the members shall elect two directors for a term of one year, two directors for a term of two year, and two directors for a term of three years; and at each annual meeting thereafter the members shall elect two directors for a term of three years.

SECTION 3. Removal. At any meeting of members, the notice of which indicates such purpose, directors may be removed in the manner provided in this section. The entire board of directors or any lesser member may be removed, with or without cause, by a vote of a majority of the members then entitled to vote at an election of directors. In the event of death, resignation or removal of a director, his successor shall be elected by the remaining members of the board and shall serve for the unexpired term of his predecessor.

SECTION 4. Compensation. No director shall receive compensation for any service he may render to the association. However, any director may be reimbursed for his expenses incurred in the performance of his duties.

SECTION 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETING OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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SECTION 2. Special Meetings. Special meetings of the board of Directors shall be held when called by the President of the association, or by any two directors, after not less than three (3) days notice to each director.

SECTION 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the board of directors, and two or more members of the association. The nominating committee shall be appointed by the board of directors prior to each annual meeting of the members, to serve from the close of such meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the board of directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non—members.

SECTION 2. Election. Election to the board of directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration. The person receiving the largest votes shall be elected. Cumulative voting is not permitted.



ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. Powers. The Board of Directors shall have power to:

- a). adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof.
- b). exercise for the association all powers, duties and authority vested in or delegated to this association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration.
- c). declare the office of a member of the board of directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the board of directors without a valid excuse approved by the board.
- d). employ a manager, an independent contractor, or such employees as they deem necessary, and to prescribe their duties.

SECTION 2.. Duties. It shall be the duty of the board of directors to:

- a). cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting, when such statement is requested in writing by one-fourth (1/4) of the class A membership who are entitled to vote.
- b). supervise all officers, agents, and employees of this association, and to see that their duties are properly performed.
- c). as more fully provided herein, and in the declaration to: (1) fix the amount of the



monthly assessment against each lot at least thirty (30) days prior to the commencement of fiscal year of the association and as hereafter provided in Article XII, and (2) send written notice of any special assessment or of any change in the monthly assessment.

d). bill and collect monthly and special assessment on a monthly, quarterly or annual basis as it deems necessary;

e). issue or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the insurance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

f). procure and maintain adequate liability and hazard insurance on property owned by the association.

g) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

h) cause the common area to be maintained; and

i) cause the exterior of dwellings situate on lots to be maintained as set forth in the declaration.

ARTICLE IX

COMMITTEES

SECTION 1. The association shall appoint an Architectural Control Committee, as



provided in the declaration, and nominating committee, as provided in these by-laws. In addition, the board of directors shall appoint other committees as deemed appropriate in carrying out its purpose, such as:

- a. **A Recreational Committee** which shall advise the board of directors on all matters pertaining to the recreational program and activities of the association and shall perform such other functions as the board in its discretion, determines;
- b. **A Maintenance Committee** which shall advise the board of directors on all matters pertaining to the maintenance, repair or improvement of the properties, and shall perform such other functions as the board in its discretion, determines;
- c. **An Audit Committee** which shall supervise the annual audit of the association's books and approve the annual budget and statement of expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8(d).

The treasurer shall be an officio member of the committee.

SECTION 2. it shall be the duty of each committee to receive complaints from members on any matter involving the association functions, duties and activities within its field of responsibility, it shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

SECTION 1. Annual Meetings. The first annual meeting of the members shall be held on the second Wednesday in May, 1972, and each subsequent regular annual meeting



of the members shall be held on the same day of the same month of each year thereafter, at the hour of 4:30 o'clock P.M. at the place designated by the President or Board of Directors. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

SECTION 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the board of directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

SECTION 3. Notice of Meeting. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days and not more than 50 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing of the books of the association, or supplied by such member to the association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

SECTION 4. Quorum. The presence at the meeting of members entitled to cast or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in article of incorporation, the declaration or these by-laws. If, however, such quorum shall not be present or represented at any meeting, the members so entitled to vote there at shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as AFORESAID shall be present or be represented.



SECTION 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

SECTION 1. Enumeration of Officers. The officers of this association shall be a president and vice-president, who shall at all times be members of the board of directors, a secretary and a treasurer, and such other officers as the board may from time to time by resolution create.

SECTION 2. Election of Officers. The election of officers shall take place at the initial meeting of the board of directors and at the first annual meeting of the board of directors following each annual meeting of the members.

SECTION 3. Term. The officers of this association shall be elected annually by the board and each shall hold office until his successor is elected and qualified, unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

SECTION 4. Special Appointments. The board may elect such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority and perform such duties as the board may, from time to time determine.

SECTION 5. Resignation and Removal. Any officer may be removed from office with or without cause from the board. Any officer may resign at any time by giving written notice to the board, the president or the secretary. Such resignation shall take effect on



the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. Vacancies A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. Multiple Officers. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this article.

SECTION 8. Duties. The duties of the officers areas follows:

President

A). The President shall preside at all meetings of the board of directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

b). The Vice President shall act in the place and instead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

c). The secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the association and affix it on all papers requiring said seal; serve notice of meetings of the



board and of members; keep appropriate current records showing the members of the association together with their addresses, and shall perform other duties as required by the board.

Treasurer

d). the treasurer shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by resolution of the board of directors; shall sign all checks and promissory notes of the association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments.

By the declaration each member is deemed to covenant and agree to pay to the association: (1) annual assessment or charges, and (2) special assessments for capital improvements. The annual and special assessments together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such interest, cost and reasonable attorney's fee shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

SECTION 2. Purpose of Assessments. The assessment levied by the association shall be exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the properties service and facilities devoted to this purpose and related to the use and enjoyment of the common area, and of the homes situated



upon the properties.

SECTION 3. Basis and Maximum of Annual Assessments. Each lot shall be subject to an annual assessment of not more than \$60.00. Provided, however, that this maximum amount may be adjusted proportionately by the board of directors anytime after January 1, 1972 based on the federally established consumer price index as of May 1971. The board of directors shall fix the annual assessment within the maximum amount, and may rise or lower said annual assessment amount within said maximum as they may deem necessary at their discretion.

a) From and after January 1, 1972, the maximum annual assessment may be increased or decreased by the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting of the members, written notice of which setting forth the fact that the question of the change in assessment limit shall be considered, shall be sent to all members not less than 15 days nor more than 50 days in advance of the meeting.

SECTION 4. Special Assessment for Capital Improvements. In addition to the annual assessment authorized above, the association may levy in any fiscal year, a special assessment applicable to that year only, which may be collected on a monthly, quarterly or annual basis, for the purpose of defraying; in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two—thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting of the members written notice of which, setting forth the fact that the question of the imposition of a special assessment shall be sent to all members not less than 15 days nor more than 50 days in advance of the meeting.

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SECTION 5. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all classes of lots, provided that the rate set for the unimproved lots owned by the declarant, Rockrimmon Land Company, and any developers as defined in the articles of Incorporation shall be fixed at two-thirds (2/3) the assessment rate for the improved lots.

SECTION 6. Quorum for any Action Authorized Under Sections 3 & 4. At the first meeting called, as provided in Section 3 & 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in section 3 & 4 and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

SECTION 7. Date of Commencement of Annual Assessments Due Dates. The annual assessment provided for herein shall commence as to all lots on the first day of the month following the conveyance of the common properties. The board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of said commencement date and any change in the annual assessment must be fixed by the board of directors at least thirty (30) days in advance of the commencement of the changed assessment amount. Written notice of the annual assessment and all changes thereto shall be sent to every owner subject thereto. The due dates shall be established by the board of directors. The association shall upon demand at any time furnish a certificate in writing, signed by an officer of the association, setting forth whether said annual assessments are current. A reasonable charge may be made by the board for the issuance of these certificates. Such certificates shall be conclusive evidence of the facts stated therein.



SECTION 8. Effect of Non-Payment of Assessments Remedies of the Assoc. If the assessments are not paid on the date due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them.

The delinquent date, the assessment shall bear interest from the date of delinquency at the rate of six (6) percent per annum, and the association may bring an action at law against the owner personally obligated to *pay* the same or to foreclose the lien against the property and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the court together with the cost of the action.

SECTION 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any trust deed or mortgage now or hereafter placed upon the properties subject to assessment; provided however that such subordination shall apply only to the assessments which have become due and payable to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, or from the lien of any such subsequent assessment.

SECTION 10. Exempt Property. The following property subject to the declaration shall be exempt from the assessment, charges and liens created herein: (a). all properties to



the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use; (b) the common area; (c) all properties declared to be exempt by the written assent of 90% of the lot owners.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the association shall be available for inspection by any member at the principal office of the association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The board of Directors shall provide a corporate seal which shall be in form of a circle and shall have inscribed thereon the name of the corporation.

ARTICLE XV

AMENDMENTS

SECTION 1. These by-laws may be amended, at a regular or special meeting of the members, by a vote of majority of a quorum of members present in person or by proxy, except that the Federal Housing Administration and the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

SECTION 2. In the case of any conflict between the Articles of incorporation and these by-laws, except with respect to the number of directors that shall comprise the board of directors, the articles shall control; and in the case of any conflict between the declaration and these by-laws the declaration shall control.



ARTICLE XVI

MISCELLANEOUS

The fiscal year of the association shall begin on the first day of July and end on the 30th day of June of every year, except that the first fiscal year shall begin on the date of incorporation. IN WITNESS WHEREOF, we, being all of the directors of Golden Hills Homeowners Association, have hereunto set our hands this 2nd day of August 1971

Signed _____	Signed _____
Signed _____	Signed _____
Signed _____	Signed _____

CERTIFICATON

I, the undersigned, do hereby certify: That I am the fully elected and acting secretary of Golden Hills Homeowners Association, a Colorado corporation and that the foregoing by-laws constitute the amended by-laws of said association, as duly adopted at a meeting of the board of directors thereof, held on the 2nd day of August 1971.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said association this 2nd day of August 1971.

D.E.Cunningham
Secretary

