

**BYLAWS OF
EAGLE HEIGHTS
HOMEOWNER ASSOCIATION, INC.**

INTRODUCTION

These are the Bylaws of **EAGLE HEIGHTS HOMEOWNER ASSOCIATION, INC.** (the "Association") which shall operate under the Colorado Nonprofit Corporation Act, as amended ("Corporation Act"), and the Colorado Common Ownership Interest Act, as amended (the "Act"). Terms which are defined in the Declaration shall have the same meanings herein, unless otherwise defined herein. The word member or members as used in these Bylaws means and shall refer to Unit Owner(s) or Owner in the Common Interest Community.

**ARTICLE I
OBJECTIVE**

- A. *Purpose*. The purpose for which the Association is formed is to:
1. Govern and operate the project known as **EAGLE HEIGHTS SUBDIVISION** (the "Common Interest Community") as shown on the plat recorded with the County at Reception No. _____, County of Montrose, State of Colorado, in accordance with the Corporation Act and the Act;
 2. Promote the health, safety, welfare, and common benefit of the Unit Owners and residents of the Common Interest Community; and
 3. Be and constitute the Association to which reference is made in the Declaration of Covenants, Conditions, and Restrictions of **EAGLE HEIGHTS SUBDIVISION**, as amended (the "Declaration") which is recorded or will be recorded in the office of the Clerk and Recorder of the County of Montrose, State of Colorado, relating to a subdivision described herein, in the County of Montrose, State of Colorado and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified herein.
- B. *Owners Subject to Bylaws*. All present or future Owners or any other person that might use in any manner elements of the Common Interest Community is subject to the terms and provisions set forth in these Bylaws. The mere acquisition of any of the Units, or the mere act of occupancy of any of the Units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II
MEMBERSHIP, VOTING MAJORITY OF
OWNERS, QUORUM, PROXIES

- A. *Membership*. Every person or entity who is a record Owner of a fee or undivided fee interest in any Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract purchasers who have the right to possession, shall be a Member of the nonprofit corporation. Acquisition by such Owner of an interest in a Unit shall be deemed such Owner's consent to admission as a Member, and such membership may not be terminated without divestiture of such interest in a Unit. Following termination of the Common Interest Community, the membership shall consist of all former Owners entitled to distribution of proceeds under the Act or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.
- B. *Voting*.
1. The nonprofit corporation will have voting Members as follows: The nonprofit corporation shall have one class of voting membership. Each Lot shall be entitled to one (1) vote. Cumulative Voting by Owners shall not be permitted. All Members shall be entitled to vote on all matters except any Members who are in default in any obligations to the Association. If only one of the multiple owners of a unit is present at a meeting of the association, such owner is entitled to cast all the votes allocated to that unit. If more than one of the multiple owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the votes allocated to that unit without protest being made promptly to the person presiding over the meeting by any of the other owners of the unit. During the Period of Declarant Control, except as may otherwise be provided in the Declaration, the Declarant or persons appointed by the Declarant may appoint and remove all officers and members of the Board of Directors. The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control; but, in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.
 2. Votes allocated to a Lot may be cast under a proxy duly executed by an Owner. If a Lot is owned by more than one (1) person, each Owner of the

Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual written 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 eleven (11) months after its date, unless it provides otherwise. The Secretary of the Association must bring all proxies to each meeting where the Owners are entitled to vote and all proxies shall be available for inspection by the officers of the Association and by any Owner in attendance at such meeting. A proxy need not be an Owner. All proxies must be in writing and may be either general or for a particular meeting.

3. 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 or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the partnership in the absence of express notice of the designation of a specific person by the partnership. The vote of a limited liability company may be cast by any manager of the limited liability company in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or business trust owner is qualified to vote.
4. Votes allocated to a Lot owned by the Association may not be cast.
5. The Declarant, its successors or assigns, may exercise the voting rights allocated Lots owned by it.
6. Cumulative voting in the election of the Board of Directors shall not be permitted.

C. *Quorum* . Except as otherwise provided in these Bylaws or in the Declaration, the presence at the beginning of any meeting of the Association in person or by proxy of fifty percent (50%) of the votes entitled to be cast shall constitute a quorum present throughout the meeting.

D. *Vote* . The vote of a sixty seven percent (67%) of the Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

ARTICLE III
ASSOCIATION MEETINGS

- A. *Place of Meetings* . Meetings of the Owners shall be held at the Common Interest Community or at such place within the State of Colorado as the Executive Board may determine, so long as such alternate location is reasonably convenient to the Owners.
- B. *Annual Meeting* . The annual meetings of the Association shall be held each year on such date as shall be selected by the Executive Board, provided that such meeting shall occur in each year no later than six (6) months after the end of the Association's fiscal year. The first annual meeting shall be called by the initial Executive Board of the Association and shall be held within one (1) year of the initial conveyance of a Lot by Declarant. At such meetings, the Owners may transact such business of the Association as may properly come before the meeting. At each annual meeting, members of the Executive Board shall be elected by ballot of the Owners in accordance with the provisions of Article 4 of these Bylaws. The Owners may transact such other business as may properly come before them at these meetings.
- C. *Special Meetings* . Special meetings of the Association may be called by the President of the Association, by a majority of the members of the Executive Board, or by Owners having fifty percent (50%) of the votes in the Association.
- D. *Notice of Association Meetings* . It shall be the duty of the Secretary of the Association to cause notice of meetings of the Owners of the Association to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by an Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or to these Bylaws, and any proposal to remove an officer or member of the Executive Board.
- E. *Waiver of Notice* . Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. A waiver of notice, signed by all of the Owners before, at, or after any meeting shall be a valid substitute for notice. The certificate of the Secretary of the Association that notice was properly given as provided in these Bylaws shall be *prima facie* evidence thereof.
- F. *Adjourned Meetings* . If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, a majority of the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be

reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

- G. *Order of Business*. The order of business at all meetings of the Owners shall be as follows:
1. Roll call or check-in procedure;
 2. Proof of notice of meeting or waiver of notice;
 3. Reading of minutes of preceding meeting;
 4. Reports of officers;
 5. Reports of committees;
 6. Election of members of the Executive Board (when required);
 7. Unfinished business;
 8. New business; and
 9. Adjournment.
- H. *Rules of Meetings*. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Owners and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE IV EXECUTIVE BOARD

- A. *Association Responsibilities*. The Association has the responsibility to manage the Common Elements and to administer the Common Interest Community, acting through an Executive Board. In the event of any dispute or disagreement between any Owners relating to the Common Interest Community, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Executive Board. The determination of such dispute or disagreement by the Executive Board shall be binding on each and all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Executive Board.
- B. *Number and Qualification*. The Executive Board shall be composed of not less than three (3) persons and not more than seven (7), initially (3) appointed by the Declarant. Directors are not required to be Members of the Association.

