

**BYLAWS**  
**OF**  
**WOODLAND PONDS HOMEOWNERS ASSOCIATION**

**ARTICLE I**  
**Object**

1. The purpose for which Woodland Ponds Homeowners Association (the "Association"), is formed is to govern the Woodland Ponds Subdivision that has been submitted to the appropriate authorities of the State of Colorado by the recordation of the Declaration of Covenants, Conditions, Restrictions and Easements of Woodland Ponds Subdivision, and any modifications thereto, recorded in the records of the Clerk and Recorder of the County of Montrose, Colorado, on February 8, 2006, Reception No. 750704 (the "Declaration") and related Map bearing the name Woodland Ponds Subdivision.

2. All present or future owners or tenants or any other person that might use, in any manner, any of the Lots, or Common Areas appurtenant thereto, are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and shall signify that they will be complied with.

3. Terms used in these Bylaws and not otherwise defined herein are as defined in the Declaration.

**ARTICLE II**  
**Membership, Voting, Quorum, Proxies**

1. *Membership.* Any person, on becoming an Owner of a Lot within the Subdivision, shall automatically become a member of this Association and shall be subject to these Bylaws. Such Membership shall terminate without any formal Association action whenever such person ceases to own a Lot. Such termination shall not release any former Owner from any liability arising under these Bylaws, or from Membership in the Association, or by virtue of ownership of a Lot. The Declarant shall be a Member as provided in, and subject to the terms of, the Declaration so long as Declarant owns a Lot.

2. *Quorum.* Except as otherwise provided in the Declaration, or these Bylaws, the presence in person or by proxy of members holding one-fourth of the votes entitled to be cast shall constitute a quorum. Except as otherwise provided in the Declaration, or these Bylaws, an affirmative vote of a majority of the Members present, either in person or by proxy, shall be required to transact the business of the meeting.

3. *Voting.* All Members shall be entitled to vote on all matters, with one vote per Lot. In the event of a tie vote on any matter, the Association's President shall cast a tie-breaking vote in addition to any vote to which he or she may be entitled as an Owner. Notwithstanding the foregoing, no Owner shall be entitled to vote at any meeting of the Association if such Owner is delinquent in paying any Assessment of the Association as of the date of the meeting.

4. *Proxies.* Votes allocated to a Lot may be cast pursuant to a written proxy duly executed by an Owner. If a Lot is owned by more than one 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 not revoke a proxy given pursuant to this section except 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 eleven months after its date, unless it provides otherwise.

5. *Mortgagees as Proxies.* Owners shall have the right to constitute irrevocably and to appoint the beneficiary of a trust deed their true and lawful attorney to cast their vote in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as an Owner under the Articles of Incorporation, Bylaws, and Declaration. Such proxy shall become effective upon filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Board of Directors, the Association, the Manager or the Owners to carry out their duties as set forth in the Declaration or Bylaws. A release of the beneficiary's deed of trust shall operate to revoke such proxy. 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 deed of trust the duties and obligations of an Owner.

### **ARTICLE III Administration**

1. *Annual Meeting.* Annual meetings of the Association shall be held during the month of \_\_\_\_\_ of each year. From and after the termination of Declarants' appointment authority under Article X, Section 3 of the Declaration, at such meetings members of the Board of Directors shall be elected by ballot in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them.

2. *Special Meetings.* The President of the Board of Directors may call a special meeting of the members upon his or her own initiative, or shall call a special meeting upon resolution of the Board adopted at a previous meeting or upon receipt of a written request from members representing at least ten (10) percent of the weighted vote of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the members present, either in person or by proxy. Any such meetings shall be

held at such place and time as the President determines, and if held at the instance of a member, then within sixty (60) days after receipt by the President of such written request.

3. *Place of Meeting.* The meetings of the Association shall be held at such place within the County of Montrose, State of Colorado as the Board may determine.

4. *Notice of Meetings.* The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the meeting's purpose, as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least ten (10) but not more than fifty (50) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the certificate of the Secretary that notice was duly given shall be prima facie evidence thereof

5. *Adjourned Meetings.* Except as otherwise provided in Article IV, Section 10, of the Declaration, if any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

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

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver thereof
- (c) Reading of Minutes of previous meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Directors
- (g) Old business
- (h) New business
- (i) Adjournment.

**ARTICLE IV**  
**Board of Directors**

1. *Number and Qualifications.* Consistent with the provisions of Article X, Section 3, of the Declaration, the Declarant may appoint and remove the members of the Board until the termination of that period of Declarant control. At the first meeting of members following the end of the period of Declarant control, a majority of the members of the Board shall be elected from among the Members who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The number of members of the Board may be changed from time to time by a resolution of the Board, but in no event shall there be fewer than three (3) members nor greater than nine (9) members.

2. *Powers and Duties.* The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the project as a first-class business property. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners:

(a) To administer and to enforce, by suit or otherwise, the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and the Articles and Bylaws of the Association, and any amendments thereto.

(b) To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, rental, use and occupancy of the Common Elements and all of the Lots, with right to amend such rules from time to time. A copy of the rules shall be delivered or mailed to each Member upon adoption thereof.

(c) To designate and to remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Elements and parking spaces and to incur such costs and expenses and take such actions as may be necessary to complete, add to, maintain, repair, replace and keep in good order, condition and repair all of the Common Elements.

(d) To insure and keep insured all of the insurable Common Elements in a reasonable amount for the benefit of the Owners of the Lots and their first mortgages as required by the Declaration. Further, to obtain and to maintain comprehensive liability insurance covering the entire premises.

(e) To prepare annually a budget for the Association in order to determine the amount of the Common Assessments necessary by the Owners to meet the Common Expenses, to allocate and assess such common charges among the Owners according to their respective common ownership in and to the Common Elements or otherwise as permitted by the Declaration; To levy and to collect Special Assessments, subject to such limitations set forth in the Declaration, whenever it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member as is provided in the Declaration and these Bylaws, impose a reasonable charge for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and hearing, levy reasonable fines for violations of the Declaration, these Bylaws and rules and regulations of the Association.

(g) To protect and defend, in the name of the Association, any part or all of the Common Elements from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary to give security therefor. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary/Treasurer, but in any case, no encumbrance may be placed on the Common Elements except in compliance with the Declaration and the Act.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To make repairs, additions, alterations and improvements to the Common Elements consistent with managing the project in a first-class manner and consistent with the best interests of the Owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at reasonable times by each of the members under the conditions specified in Article IX hereto, and to prepare or have prepared annually audited or unaudited financial statements.

(m) To prepare and deliver annually to each Member a consolidated statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least semi-annually.

(o) To control and manage the use of all open spaces and other common property.

(p) To employ for the Association a Manager who shall have and exercise those duties and powers granted to him by the Board, including those set forth above, but not those powers which the Board may not delegate. Any management contract so entered into shall



be for a term not exceeding two (2) years and shall provide that it may be canceled upon sixty (60) days written notice without cause, and further, that no termination fee be provided for in such case.

(q) To employ such other agents, independent contractors or employees, including but not limited to, attorneys and accountants, as may be necessary to discharge the duties of the Association and the Board.

(r) Acquire, hold, encumber and convey in the Association's name any right, title or interest to real property or personal property.

(s) Grant easements, including permanent easements, leases, licenses and concessions, through or over the Common Elements.

(t) Impose and receive a payment, fee or charge for the use, rental or operation of the Common Elements, and for services provided to Unit Owners.

(u) Impose a reasonable charge for the preparation and recordation of amendments to the Declaration or for statement of unpaid Assessments.

(v) Provide for the indemnification of the Association's officers and Board of Directors and maintain Board of Directors' and Officers' liability insurance.

(w) Assign the Association's right to future income, including the right to receive Assessments.

(x) Exercise any other powers conferred upon the Board or the Association by the Act, the Colorado Nonprofit Corporation Act, the Declaration or these Bylaws.

(y) Exercise any other power necessary and proper for the governance and operation of the Association.

(z) By resolution, establish committees of the Board of Directors and/or Owners, permanent and standing, to perform any of the above functions under specifically delegated administrative standards, as designated in the resolution establishing the committee.

(aa) In general, to carry on the administration of the Association and to do all things necessary and reasonable in order to carry out the governing and the operation of this Project.

3. *Delegation of Powers.* Except as may be prohibited by the Declaration or the Articles, any power of the Board may be delegated to a Manager pursuant to specifically designated administrative standards; provided, however, that no delegation of the Board's duties and powers shall relieve the Board of its responsibilities under the Declaration. If the Board

delegates the powers of the Board or the officers of the Association relating to collection, deposit, transfer or disbursement of Association funds to other persons or to a Manager, then the person to whom such powers are delegated: (i) shall maintain fidelity insurance or a bond in an amount of not less than fifty thousand dollars (\$50,000.00) or such higher amount as the Board may require; (ii) shall maintain all funds and accounts of the association separate from the funds and accounts of other associations managed by it and shall maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and (iii) present an accounting for association funds and a financial statement prepared by the Manager, a public accountant or certified public accountant annually or more frequently as may be required by the Board.

4. *No Waiver of Rights.* The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration or Bylaws, or the rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Association shall have the right to enforce the same thereafter.

5. *Election and Term of Office.* At the first meeting of the Association following the end of the period of Declarant control, the term of office of one Director shall be fixed for one (1) year, the term of office of one Director shall be fixed for two (2) years and the term of office of one Director shall be fixed for three (3) years. At the expiration of the initial term of office of each Director, his successor shall be elected to serve a term of three (3) years. If the number of directors is increased, the Board shall implement appropriate provisions so that, insofar as possible, the terms of one-third of the members of the Board of Directors expire each year. Except as is otherwise provided by these Bylaws, the Directors shall hold office until their successors have been elected and hold their first meeting.

6. *Vacancies.* Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his or her successor is elected.

7. *Removal of Directors.* At any regular or special meeting duly called, any one or more of the Directors elected by the Members may be removed with or without cause by a 67 percent vote of all Memberships represented and entitled to vote at any meeting at which a quorum is present, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting prior to the votes being taken.

8. *Organizational Meeting.* The first meeting following the election of one or more Board members at an annual meeting of the Members shall be held within fifteen (15) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Director(s) were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. *Regular Meetings.* Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings (including the Organizational Meeting) shall be held during each calendar year. Notice of regular meetings for the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least fifteen (15) days prior to the day named for such meeting.

10. *Special Meetings.* Special meetings of the Board may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone, facsimile, overnight courier or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of one Director.

11. *Waiver of Notice.* Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of proper notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. *Quorum.* At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board. If less than a quorum is present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. *Fidelity Bonds and Insurance.* The Board may require that all officers and employees of the Association who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

14. *Participation by Telephone.* Any Director may participate in a meeting of the Board by telephone, provided that such Director and all of the other persons in attendance at such meeting can hear and communicate with each other.

15. *Informal Action by Directors.* Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors.

16. *Notice and Hearing.* Whenever the Declaration provides for a Notice and Hearing, the following procedures shall be followed. The Association or committee of the Association, as appropriate, shall give written notice to the affected Owner of the action that it proposes to take or decision that it proposes to render (the "Notice"). Such Notice shall also state



that the Owner may object to such action or decision by filing a written notice of appeal with the Secretary of the Association within ten (10) days of the date of such Notice, stating in detail the nature of the objection. If a notice of an appeal is not filed within such ten (10) day period, the action or decision stated in the Notice shall become final. Upon receipt of a timely notice of appeal as specified herein, the Board of Directors shall set the appeal for hearing at its next regular meeting or, at its discretion, at a special meeting, and the time and place of such hearing shall be communicated to the affected Owner. The affected Owner shall be given the opportunity to appear and offer testimony at such hearing. The Board of Directors may take into account any information in rendering its decision on appeal, and the decision of the Board of Directors shall be final and binding on the affected Owner and, if applicable, upon the committee subject to the appeal.

17. *Closed Meetings.* The members of the Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. Matters for discussion by an executive or closed session are limited to:

(a) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association.

(b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

(c) Investigative proceedings concerning possible or actual criminal misconduct;

(d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

(e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

## **ARTICLE V**

### **Officers**

1. *Designation.* The Officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. Such Officers shall each be a member of the Board and an Owner in the Subdivision. One person may hold more than one office at a time, except that no person may simultaneously hold the offices of President and Secretary. All Officers must be at least eighteen years old.

2. *Election of Officers; Vacancies.* The Officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board. A vacancy in any office, however occurring, may be filled by an affirmative vote of a majority of the members of the Board of Directors for the unexpired portion of the term.

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

4. *President.* The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board. He or she shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including but not limited to the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. *Vice-President.* The Vice-President shall have all powers and authority and perform all functions and duties of the President, in the absence of the President or his inability for any reason to exercise such powers and functions or to perform such duties.

6. *Secretary.* The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; he or she shall have charge of such books and papers as the Board may direct; and he or she shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Unit owned by such member and the undivided interest in the Common Areas. Such list together with all business records of the Association and the Board shall be open to inspection by the members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours under the conditions specified in Article IX hereof.

7. *Treasurer.* The Treasurer shall (i) be the principal financial officer of the Association and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board of Directors; (ii) receive and give receipts and acquittances for moneys paid in on account of the Association, and pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the Association and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, if so required by law, prescribe

and maintain an adequate system of internal audit, prepare and furnish to the members, the president and the Board of Directors statements of account showing the financial position of the Association and the results of its operations, and furnish statements of an Owner's account in accordance with the Declaration; provided, however, that when a Manager has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Manager not less often than semi-annually; (iv) upon request of the Board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the president or the Board of Directors.

#### **ARTICLE VI** **Indemnification of Board Members, Officers, and the Manager**

The Association shall indemnify every Board Member, Officer or the Manager, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorneys' fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being or having been a Board Member, Officer or the Manager, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable of gross negligence or intentional misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or intentional misconduct in the performance of his or her duty as a Board Member, Officer or the Manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Board Member, Officer or Manager may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense. Notwithstanding the foregoing, unless a proceeding is finally adjudged to be substantially frivolous or groundless, the Association shall not be required to indemnify any Board Member or Officer who was named as a defendant in a proceeding brought by the Association if the proceeding was duly authorized or ratified by the Board of Directors, even though the Officer or Board Member was the prevailing party in such action.

#### **ARTICLE VII** **Amendments**

1. *Amendment of Articles.* The Articles of Incorporation may be amended in the manner provided by law.

2. *Amendment of Bylaws.* These Bylaws may be amended by the Members at a duly constituted meeting of the Members for such purpose; provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation, or the Declaration, nor omit any of the particulars required by Act or other

applicable law.

3. *Vote Required.* These Bylaws may be modified or amended only with the approval of the Owners representing at least 67 percent of the votes eligible to be cast in an election of the Association.

**ARTICLE VIII**  
**Evidence of Ownership, Registration of Mailing**  
**Address and Designation of Voting Representative**

1. *Proof of Ownership.* Any person on becoming an Owner of a Lot shall furnish to the Board a copy of the recorded instrument vesting that person with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

2. *Registration of Mailing Address.* The Owner or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a member or members shall be furnished by such Member(s) to the Board within fifteen (15) days after transfer of title or after a change of address, and such registration shall be in written form and signed by (all of) the Owner(s) of the Lot or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.

3. *Designation of Voting Representative—Proxy.* If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one individual, by a firm, corporation, partnership, association or other legal entity or any combination thereof such individuals, entity, or entities shall by written instrument executed by all such parties and delivered to the Association appoint and authorize one person or alternate persons to represent the Owners of the Lot. Such representative shall be a natural person who is an Owner, or a designated board member or officer of a corporate Owner, or a general partner of a partnership Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a Member of the Association, and serve on the Board of Directors if elected. Notwithstanding the foregoing, if the Association has not received the written instrument required above and if only one of the multiple Owners of a Lot is present (in person or by proxy) at a meeting of the Association, such Owner is entitled to cast all of the votes allocated to that Lot. If the Association has not received the written instrument required above and if more than one of the multiple Owners are present, either in person or by proxy, the Association may assume that any Owner who casts the vote allocated to that Lot is entitled to do so unless one or more of the other Owners of the Lot or their proxy promptly protest to the person presiding over the meeting. If such protest is made, the vote allocated to the Lot may only be cast by written instrument executed by all Owners who are present at the meeting.

The requirements herein contained in this Article VIII shall be first met before any Owner of a Lot shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

**ARTICLE IX**  
**Right to Inspect Records, Statement of Account**

1. *Right to Inspect.* All Owners, Mortgagees and other persons lawfully entitled to inspect the same shall have the right to inspect the Association's and the Board of Directors' business records at reasonable times during business hours.

2. *Statement Of Account.* Upon fourteen (14) days notice to the Board, or to the Manager if one is employed, and payment of a reasonable fee not to exceed \$20.00, any prospective grantee, Owner or Mortgagee of a Lot shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

**ARTICLE X**  
**Association Not-for-Profit**

1. *Not for Profit.* This Association is not organized for profit. No member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or member; provided, however, that:

(a) Only reasonable compensation be paid to any member, Director, Manager, if any, or Officer while acting as an agent or employee of the Association; and

(b) Any member, Director, Manager, if any, or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

The provisions herein are not applicable to the Manager who shall perform his or her duties and functions according to written agreement for the compensation stated therein.

ADOPTED by the Board of Directors this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Secretary