

WOODY CREEK MOBILE HOMEOWNERS' ASSOCIATION, INC.

AMENDED BY-LAWS

These Woody Creek Mobile Homeowners' Association, Inc. Amended By-Laws ("Amended By-Laws") dated 08/26/2008, 2007 are intended to amend and supplement the Woody Creek Mobile Homeowners' Association By-Laws ("By-Laws") dated 7/15/1994

ARTICLE II - AMENDMENTS

Definitions

Section 1.

"Member" shall mean and refer to any entity or person who holds Membership in the Association by way of conveyed ownership of a lot through a valid deed.

The definition of "Community Area" is hereby deleted and replaced with the following definition: "Common Elements" shall mean those portions of the property that shall be owned by the Association, and so designated on the Plats (as defined below), to which members of the Association have a common right to use and shall include all areas shown on the Plats not conveyed to an Owner as part of a lot.

"Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for the Woody Creek Subdivision recorded on September 29, 2005 as Reception No. 515413 ("Declaration") and the Amended and Supplemental Declaration of Protective Covenants, Conditions and Restrictions for the Woody Creek Subdivision ("Amended Declaration") dated the 26th day of February, 2008 2007.

ARTICLE II - NEW PROVISIONS

Definitions

"Plats" shall mean and refer to the Final Plat Woody Creek Subdivision P.U.D. recorded on September 29, 2005 as Reception No. 515410 and the Amended Plat of Woody Creek Subdivision recorded November 8, 2006 as Reception No. 530808.

"Limited Common Elements" shall mean and refer to those areas that are either limited to or reserved for the exclusive use of a lot Owner or are limited to and reserved for the common use of the owners of more than one, but fewer than all.

"Property" shall mean and refer to that certain real property platted as the Final Plat Woody Creek Subdivision P.U.D. recorded on September 29, 2005 as Reception No. 515410 and the Amended Plat of Woody Creek Subdivision recorded November 8, 2006 as Reception No. 530808.

ARTICLE III - AMENDMENTS

Membership

Section 1.

Classification of Memberships. There shall be one class of Members in the Association. Membership is based on the ownership of a lot. Ownership of a lot is the sole qualification for Membership. In the event of multiple Owners of a single lot, each multiple Owner will be a Member in the Association. However, the multiple owners of a single lot have only one (1) vote in the Association.

Section 2.

Member(s). "Member(s)" shall mean and refer to any entity or person who holds Membership in the Association by way of conveyed ownership of a lot through a valid deed. A tenant or someone leasing space on the Property is not a Member and is not entitled to Membership in the Association. There shall be one (1) vote for each lot. Members are subject to all of the duties and obligations provided for in the Declaration, Amended Declaration, By-Laws, Amended By-Laws, Articles of Incorporation, Amended Articles of Incorporation and Rules and Regulations.

Section 4.

Transfer of Membership. Memberships shall be transferred upon the conveyance of a lot through a valid deed. Membership shall not cease upon a Member's death or dissolution, but shall pass to such Member's rightful heir or other successor in interest.

Section 13.

Voting of Memberships. The first sentence shall be amended to state the following: Each lot shall be entitled to one (1) vote upon each matter submitted to a vote at the meeting of Members.

Section 14.

Voting of Memberships by Certain Holders. The second paragraph shall be amended to state the following: If a lot is owned by two (2) or more persons, one (1) vote binds all. If more than one (1) vote per lot is cast, each vote becomes invalid.

Section 18.

Certificates for Membership. The second sentence of this section shall be amended to state the following: All certificates for Membership shall be identified by lot number.

ARTICLE IV - AMENDMENTS

Board of Directors

Section 5. Section 5.(c) shall be amended to state the following:

Duties.

(c) As more fully in the Declaration, to:

- (1) Fix the amount of the monthly assessment against each lot at least thirty (30) days in advance of any monthly assessment period if the monthly assessment is increased or decreased from the previous monthly assessments; and
- (2) Send written notice of each assessment change at least thirty (30) days in advance of each monthly assessment period and send written notice of each past due assessment at least ten (10) days in advance of the next assessment period; and
- (3) To bring an action at law against any Member personally obligated to pay unpaid assessments and to foreclose the lien against any lot for which assessments are unpaid; and
- (4) Fix the amount of the monthly assessments against each lot at least thirty (30) days in advance of each monthly assessment period.

Section 18.

Other Committees. The Board of Directors, by resolution adopted by a majority of the Directors, may designate and appoint one (1) or more committees, each of which shall consist of two (2) or more Directors, which committees shall have the authority of the Board of Directors as defined in the resolution.

Section 21.

Election. Election to the Board of Directors shall be by secret written ballot. At such election, each lot shall be entitled to one (1) vote for each Board position to be filled. Votes shall not be accumulated. The candidates receiving the highest number of votes shall be elected. In the event of multiple Owners of a single lot, the multiple Owners of the single lot are entitled to only one (1) vote for each Board position to be filled.

ARTICLE IV – NEW PROVISIONS

Board of Directors

Section 4.

Powers. (i) To negotiate and sign lease agreements on behalf of the Association and to enforce applicable landlord-tenant laws and provisions of the lease agreements.

Section 7.

Enforcement. Enforcement of the Rules and Regulations, as amended from time to time, shall be by any proceeding at law or in equity against any person or persons violation or attempting to violate any such provision. The Association and any aggrieved lot Owner shall have the right to institute, maintain and/or prosecute any such proceeding, and the Association shall have the further right to levy and collect charges and fines for the violation of any provision of the Rules and Regulations, which charges and fines will constitute a perpetual lien in favor of the Association against each lot. In any such action instituted or maintained under this section, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees incurred pursuant thereto, as well as any and all other sums awarded by the court. If the Association is the prevailing party, the costs and reasonable attorneys' fees incurred in pursuing the action will be a special assessment against the lot Owner who was the opposing litigant.

ARTICLE VIII – AMENDMENTS

Assessments

Section 1.

Each lot Owner/Member is personally obligated to pay to the Association monthly and special assessments approved by the Board, which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within five (5) days after the due date, the assessment shall bear interest from the due date at a rate of twenty five percent (25%) per annum, and the Association may bring an action at law against the lot Owner/Member personally obligated to pay the same and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. The obligation for delinquent assessments shall pass to the successor in title of any lot. No lot Owner/Member may waive or otherwise escape liability for the assessments provided herein by non-use of the Common Elements, abandonment of a lot, entering into a sales contract, leasing a home or lot or selling a home or lot.

If a lot Owner/Member fails, after demand, to pay any assessment levied by the Association, then the Association shall have a lien, from and after the time of notice of such failure to pay is recorded in the office of the Clerk and Recorder of Pitkin County, Colorado, against the lot of such Member for the amount due and unpaid, plus interest from the due date for the payment at the rate of fifteen percent (15%) per annum, plus all costs and expenses of collecting any unpaid assessments, including reasonable attorney's fees.

This lien may be foreclosed in the manner provided for foreclosures of deeds of trust and mortgage in accordance with the laws of the State of Colorado. Each such assessment, together with such interest, costs and reasonable attorney's fees for its collection, including at the appellate level, shall also be the personal obligation of the person or entity who is the lot Owner/Member at the time when the assessment falls due, his successors and/or assigns.

ARTICLE XII – NEW PROVISIONS

Responsible Governance Policies

Section 1.

Accounting Records. The Association shall maintain accurate and complete accounting records in accordance with generally accepted accounting principles.

Section 2.

Collection of Unpaid Assessments. In addition to Article III Section 4. of the Declaration and Article VIII Section 1. of these Amended By-Laws, the following policies apply to the collection of unpaid assessments.

- (a) Assessments shall be due and payable on the first day of the month.
- (b) An assessment is deemed delinquent if not paid within five (5) days of the due date.
- (c) Any assessment deemed delinquent shall bear interest from and after the due date at a rate of fifteen percent (15%) per annum.
- (d) Any assessment deemed delinquent shall also incur a late fee of \$25.00.

- (e) Upon written request by a delinquent lot Owner, the Association shall furnish a Statement of Unpaid Assessments to a delinquent lot Owner.
- (f) In addition to the remedies provided for in Article III Section 4. of the Declaration and Article VIII Section 1. of these Amended By-Laws, delinquent assessments may be referred to an attorney and/or collection agency for collection. The delinquent Owner will be liable for all collection costs, including attorney's fees.

Section 3.

Board Member Conflicts of Interest. If any contract, decision, or other action taken by or on behalf of the Board of Directors would financially benefit any member of the Board of Directors or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board of Directors or a parent or spouse of any of those persons, that member of the Board of Directors shall declare a conflict of interest for that issue. The Director has a duty to disclose the existence of any actual or potential conflict of interest and all material facts relating to the actual or potential conflict in an open meeting prior to any discussion or action on that issue. After making such disclosure, the Director may participate in the discussion but shall not vote on that issue.

Section 4.

Conduct of Meetings. In addition to Article III and Article IV in the By-Laws, the following policies apply to the conduct of meetings:

(a) Meeting of Members.

- (1) **Open Meetings.** All meetings, both regular and special, of Members are open to every lot Owner/Member of the Association, or to any person designated in writing as the lot Owner's/Member's representative. Before a vote is conducted on an issue under discussion, lot Owners/Members or their designated representative shall be permitted to speak on that issue.
- (2) **Time Restrictions on Speakers.** The Board may place the reasonable time restrictions of five (5) minutes on those persons speaking during the meeting but shall permit a lot Owner/Member or a lot Owner's/Member's representative to speak before the Board takes formal action on an item under discussion.
- (3) **Secret Ballot.** At the discretion of the Board or upon the request of twenty percent (20%) of the Owners present at the meeting or represented by proxy, a vote on any matter affecting the Association on which all other Owners are entitled to vote shall be by a secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in fair manner, by the chair of the Board or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates.

(b) Meeting of Directors.

- (1) **Meetings By Telephone.** Directors may hold special meetings via a telephone conference call, and any action taken by the Board at such a telephone conference call meeting shall have the same force and effect as such action taken at a meeting at

which a quorum of the Board was physically present. Any actions taken will be included in the minutes of the next meeting.

(2) **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. Any actions taken will be included in the minutes of the next meeting.

(3) **Executive/Closed Door Meetings.** The Board may hold an executive or closed door session and may restrict attendance to Board members and such other persons requested by the Board. The matters to be discussed at such an executive session shall include only matters enumerated below:

- (i) matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline or dismissal of an officer, agent or employee of the Association;
- (ii) 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;
- (iii) investigative proceedings concerning possible or actual criminal misconduct;
- (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (vi) review of or discussion relating to any written or oral communication from legal counsel.

(4) **Attorney-Client Privilege.** Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate matter, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Section 5.

Enforcement of Covenants, By-Laws and Rules and Regulations. In addition to Article VII Sections 2.b.4) and 2.b.5) of the Amended Declaration and Article IV Section 7 of these Amended By-Laws, the following policies apply to the enforcement of any covenants in the Declaration or Amended Declaration, By-Laws or Amended By-Laws and Rules and Regulations:

(a) **Complaints.** The Board will investigate all violations of covenants, by-laws and rules that are reported to the Board in writing or by phone within thirty (30) days. Complaints that, in the opinion of the Board, lack sufficient information or detail may be deemed to not warrant further investigation.

(b) **Notification of Owners.** If the investigation shows the reported violation to be accurate, the Board shall give written notice of the violation to the Owner by mail, setting forth the nature of the violation or breach and the specific action or actions which shall be taken by the Owner to remedy such violation or breach. The notice shall give the Owner fifteen (15) days to cure the violation, submit a plan to remedy

the violation, or request a hearing with the Board. Alternatively, the Owner may request an appeals hearing with the Board at the next regularly scheduled Board meeting to appeal the notice of the violation. The Board's decision on the appeal is final.

- (c) **Fines.** If the Owner does not cure the violation, submit a plan to remedy the violation, request an appeals hearing, or if the Board determines that a violation or breach exists after a hearing, the Board may levy a fine of \$50.00 per occurrence per day against the property Owner who has violated or breached the covenant, by-law or rule. Once fines have started, Owners must request a hearing with the Board in writing for the fines to cease. If the violation or breach is not cured within thirty (30) days after the initial fine is assessed, the Board may take legal action against the Owner.
- (d) **Collection Provisions.** All fines, costs and expenses, including attorney's fees, necessary to enforce this policy shall be an Assessment against the Owner's property and subject to all lien and collection powers of the Association.
- (e) **Unresolved Violations.** After the expiration of sixty (60) days following notice of a violation in which no hearing is requested or alternatively after an appeals meeting, the Board may:
 - (i) suspend the rights or privileges of the Owner relating to use of any Common Area and/or Common Elements within the Association and suspend the voting rights of the Owner;
 - (ii) pursue all rights of action available at law or in equity including, but not limited to, the remedy of injunctive relief and obtaining a monetary judgment for all costs, expenses, including attorney's fees, and damages;
 - (iii) reserve the right to waive or increase fines or penalties based on the severity of the violation and circumstances;
 - (iv) enter at all reasonable times upon any lot to which a violation, breach, or other condition to be remedied exists, and take the actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation, breach or other condition which may exist. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act. All costs and expenses, including attorney's fees, incurred by the Association or on its behalf in enforcing such violation, shall be a binding personal obligation of such Owner enforceable at law, as well as a lien, on such Owner's lot.

Section 6.

Inspection and Copying of Records.

- (a) **Association Records to be Kept.** The Association shall keep a copy of the following records at its principal office:
 - (i) Articles of Incorporation and Amended Articles of Incorporation;
 - (ii) By-Laws and Amended By-Laws;
 - (iii) Declaration and Amended Declaration;
 - (iv) Rules and Regulations;
 - (v) resolutions adopted by the Board;
 - (vi) minutes of all Member and Director meetings for the past three (3) years;
 - (vii) all written communications within the past three (3) years to Owners;
 - (viii) name and address of each Owner;

- (ix) name and address of each Director and/or Officer;
- (x) annual financial statements;
- (xi) current insurance policies;
- (xii) all financial audits and reviews conducted within the past three (3) years;
- (xiii) current annual budget;
- (xiv) a list, by lot Owner, of the Association's current and delinquent Assessments.

(b) **Inspection and Copying of Association Records.** Owners are entitled to inspect and copy, at the Owner's expense, any records listed above during regular business hours to the extent that:

- (i) the request is made in good faith and for a proper purpose;
- (ii) the request describes with reasonable particularity the records sought and the purpose of the request; and
- (iii) the records are relevant to the request.

The Owner must make a written request to the Association Secretary at least five (5) days before the date on which the Owner wishes to inspect and copy such records.

Section 7.

Investment of Reserve Funds. Reserve funds shall be invested in such amounts as may be determined and authorized by the Board. The Board may delegate its investment authority.

- (a) **Standard of Conduct.** Investment of reserve funds shall be done in good faith, within the best interests of the Association and with the care an ordinarily prudent person in a like position would exercise under similar circumstances
- (b) **Authorized Investments.** Authorized investments are U.S. Treasury Bills and Notes, Money Market Funds and Certificates of Deposits. Derivative securities and mortgage backed securities are not authorized investments.
- (c) **Investment Objectives.**
 - (i) **Safety of Principal:** The long-term goal is safety of the reserve funds and to promote and ensure the preservation of the reserve fund's principal.
 - (ii) **Liquidity:** Funds shall be sufficiently liquid to meet anticipated or unanticipated expenditures. Liquidity can be achieved by structuring maturities to ensure the availability of assets when needed.
 - (iii) **Minimal Costs:** Investment costs should be minimized.
 - (iv) **Professional Management:** The Board may delegate its investment authority to professional managers.
 - (v) **Return:** Funds should be invested to seek the highest level of return consistent with the preservation of principal.

Section 8.

Adoption and Amendment of Policies, Procedures and Rules.

- (a) **Board Determination of Need for Rules.** The Board may determine the need to adopt or amend certain rules, regulations, policies and/or procedures ("Rule") as it deems necessary, desirable or appropriate with respect to the interpretation and implementation of the governing documents of the Association, the operation of the Association, the use and enjoyment of Common Areas and/or Common Elements or

for any other purpose.

- (b) Notice and Opportunity to Comment. The Board shall place the proposed Rule on its meeting agenda prior to the next open meeting. Written notice of the agenda and the proposed rule shall be mailed to the Members of the Association at least ten (10) days prior to the open meeting. The Board shall allow an opportunity for the Members to comment on the proposed Rule.
- (c) Adoption of Rule. Rules shall be effective only upon adoption by resolution at an open meeting of the Board following Board discussion and Member comment. The Board shall then provide written notice of the Rule adoption to its Members within fifteen (15) days after adoption.
- (d) Emergency. The Board may waive notice and opportunity to comment in the event the Board determines, in its sole discretion, an emergency Rule needs to be immediately adopted.

Section 9.

Resolving Disputes Between Association and Owners.

In the event of any dispute between the Association and an Owner, for which a method, policy or procedure to address such dispute is not provided by the Declaration, Amended Declaration, By-Laws or Amended By-Laws of the Association, the Owner and Association shall first submit the matter to mediation. The parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved within sixty (60) calendar days of the date written notice requesting mediation is sent by one party to the other party.

ADOPTED AND APPROVED by the Executive Board of the Woody Creek Mobile Homeowners' Association, Inc.

ATTEST:

Hilary Burgess
Secretary

ADOPTED AND APPROVED by sixty six percent (66%) of the lot Owners/Members per Article XI of the By-Laws.

ATTEST:

Secretary