

AMENDED BYLAWS OF THE CRYSTAL RIVER PARK HOMEOWNERS ASSOCIATION, INC.

This document is part of the Association Documents of the Crystal River Park. To understand your rights and obligations as a property owner in Crystal River Park and a member of the Homeowners Association, you need to have copies of the Association Documents which include the following:

	The 1987 Articles of Incorporation are available on request
1.	Declaration of Covenants
2.	Bylaws, Part 1: Amended Bylaws (This Document)
3.	Bylaws, Part 2: Architectural Regulations
4.	Bylaws Part 3: General Rules

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Article 1 - Office

1.1 Office. The principal offices of the Crystal River Park Homeowners Association (aka: Association or HOA) shall be the home of the current President of the Board of Directors.

Article 2 - Object

2.1 Purpose of the Association. The Association was formed to govern the subdivision property known as the Crystal River Park Subdivision (Crystal River Park or Subdivision). The Plat of Crystal River Park Subdivision was recorded at reception number 110126 in the records of the Pitkin County Clerk and Recorder, and subsequently amended on September 29, 1964 at Reception Number 118832, and on August 19, 1966, at Reception Number 125028 (the "Plat"). The subdivision was intended as a residential neighborhood consistent with and in accordance with the authority granted by the Declaration of Restrictions, Reservations, and Covenants Affecting Crystal River Park Subdivision, recorded August 26, 1960, as Reception No.110127 in Pitkin County, Colorado. The Articles of Incorporation for the Crystal River Park Homeowners Association, Inc. were filed with the Secretary of State on August 11, 1987. These Bylaws and the Rules and Regulations in their original adoption were enacted pursuant thereto.

2.2 Obligations of the Association. The Association shall also perform certain obligations described herein and may own, hold, operate and manage property for the common benefit of owners of the property within Crystal River Park. The goals of the HOA are as follows:

- a. Crystal River Park shall be developed and maintained as a highly desirable, rural, residential area. The present natural beauty, the natural setting and surroundings of Crystal River Park shall be protected in conjunction with the uses and structures permitted by these Bylaws. The HOA shall maintain the roads and the common areas in good condition.
- b. The Association has incorporated into these Bylaws Architectural Regulations and General Rules. Together these provide specifics governing the development and maintenance of the lots and homes in the Crystal River Park. These are intended to promote the health, safety, privacy and values of the community and mutual respect, neighborly behavior and courtesy among the residents.

2.3 Adherence to Bylaws. The acquisition, occupation, or rental of any property in Crystal River Park will signify that these Bylaws are accepted, ratified and will be complied with. All such persons are subject to the regulations set forth in these Bylaws.

2.4 Effect of Bylaws. The Association and the Owners declare that the property in the Subdivision will be held, sold, and conveyed subject to the covenants, conditions and restrictions set out in these Bylaws which are for the purpose of protecting the value and desirability of the Subdivision, and which will run with the land and be binding on all parties and heirs, successors, and assigns of parties having any right, title, or interest in all or any part of the Subdivision. Each Owner, by acceptance of a deed or other conveyance vesting in the Owner an interest in a Lot agrees to be bound by these Bylaws.

Article 3 - Definitions

The following words when used in these Bylaws, unless inconsistent with the context of these Bylaws, will have the following meanings:

3.1 Act means the Colorado Common Interest Ownership Act (**CCIOA**) in effect at any given time, including any amendments to or replacements thereof. As a pre-existing planned community, the Subdivision is subject to limited requirements of the Act as set forth in Colorado Revised Statutes (C.R.S.) § 38-33.3-117.

Acts means both CCIOA and the Colorado Non Profit Corporation Act (**CNPCA**) in effect at any given time and the amendments or replacements thereof.

3.2 Architectural Review Committee (ARC) is the committee appointed by the Board of Directors responsible for approving an Owner's plans for buildings or constructions of any kind and for significant modifications to the appearance of a Lot or home as defined in detail below and in the Bylaws and the Architectural Regulations.

3.3 Articles. The Articles of Incorporation filed with the Colorado Secretary of State on August 11, 1987 and any amendments thereto for the Crystal River Park Homeowners Association, a Colorado not-for-profit corporation.

3.4 Assessments. The means the Periodic Assessments, Special Assessments and Default Assessments (**fin**es) made for common expenses provided for herein and in the Bylaws and levied pursuant to the Article named Assessments below. Such assessments shall be used for the purposes of maintaining the Common Elements, the roads in the subdivision, and fulfilling the obligations contained in the Association Documents including any additional fees or charges imposed on an Owner under these Documents.

3.5 Assessment Lien. The lien imposed on an Owner's Lot for nonpayment of assessments.

3.6 Association or HOA. The Crystal River Park Homeowners Association, a Colorado not-for-profit corporation, was formed and incorporated to be and constitute the Association to which reference is made in these Bylaws and the Declaration. The purpose of the Association is to further the common interests of owners of property within Crystal River Park.

3.7 Association or HOA Documents include the Plat, the Declaration, the Articles of Incorporation and the Bylaws of the Association. The Bylaws include the Architectural Regulations and the General Rules. The Association Documents also include any procedures, rules, regulations, or policies adopted under such documents by the Association.

3.8 Board of Directors (Board). The governing body of the Association elected to perform the obligations of the Association relative to the operation, maintenance, and management of the Subdivision and all improvements on the Subdivision.

3.9 Bylaws means the original Bylaws adopted by the Association after the Articles of Incorporation (1987) and any amendments thereto adopted by the Association including the Architectural Regulations and the General Rules which are part of these Bylaws.

3.10 Commercial Activity. Activity that is for profit and that increases the demand on subdivision infrastructure such as roads, water systems and other utilities.

3.11 Common Elements. The real property in the Subdivision owned by the Association and designated on the Plat as Crystal Park and Park Area, other than the Lots and roads within the Crystal River Park Subdivision.

3.12 Common Expense(s). The estimated and actual expenditures made, or to be made on behalf of the Association, including any reasonable reserve, all as may be found to be necessary and appropriate by the Board pursuant to the Association Documents.

3.13 County. Pitkin County, Colorado.

3.14 Covenants or Declaration. The document entitled "Declaration of Restrictions, Reservations, and Covenants Affecting Crystal River Park Subdivision in Pitkin County, Colorado" as amended.

3.15 Crystal River Park. The planned community and the area known as the Crystal River Park Subdivision as described and depicted on the Plat and also any and all additions, filings and expansions to the Crystal River Park Subdivision.

3.16 Lot(s). The subdivided parcels of land and such boundaries described and depicted on the Plat and as designated by number on the Plat. The Common Elements are not Lots. Several of the Lots have been combined to form Property Units as defined below. In these documents the terms Lot and Property Unit are synonymous.

3.17 Member or Members. The owner(s) of a Lot or any Property Unit are automatically considered Association member(s), as provided herein. Also, the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security.

3.18 Off-Season Recreation Vehicles or Equipment. Boats, ATVs, snowmobiles, campers and other recreational vehicles or equipment that are not in use during the current season.

3.19 Owner. The person(s) or legal entity holding record title to a Lot or Property Unit, but excluding any holder of an interest in a Lot or Property Unit solely as the holder of a mortgage, deed of trust or other security interest. The Association shall be entitled to treat the record title holder of a Lot as the Owner thereof for all purposes.

3.20 Plat. The composite Plat of Crystal River Park Subdivision filed of record in the office of the Clerk & Recorder, Pitkin County, Colorado, on August 26, 1960, at reception number 110126, and subsequently amended on September 29, 1964, at Reception Number 118832, and on August 19, 1966, at Reception Number 125028, and any amendments thereto or supplemental plats made, duly approved and recorded in the real estate records of Pitkin County.

3.21 Property Unit. Any Lot(s) assigned a unique parcel i.d. by the Pitkin County Assessor. When the Association Documents refers to a Lot, such reference will be deemed to mean a Property Unit.

3.22 Roads. The roads in use and shown on the Plat of the Crystal River Park Subdivision. The roads are dedicated to the public and are not Common Elements.

3.23 Subdivision or Crystal River Park Subdivision. The residential subdivision created by the Articles of Incorporation and the Declaration, as shown on the Plat.

Article 4 - Association

4.1 Association Powers. The Association shall have and enjoy all the powers granted it by the Acts and any amendments thereto or replacements thereof, including all powers described in the Association Documents, which include the following:

- a. levying assessments against Owners
- b. imposing a lien on Lots for any unpaid or uncollected assessments or penalties
- c. foreclosing any such liens
- d. enforcing any deed restrictions or covenants
- e. acquiring, holding, owning, leasing, mortgaging or disposing of property, including the Common Elements
- f. adopting rules and regulations
- g. defending, prosecuting or intervening in litigation on behalf of all members
- h. borrowing money for Association purposes, including the right to pledge future income in order to secure such borrowings. The term *pledge of future income* shall include the right to impose a special assessment for repayment of such borrowings and to assign such special assessment (and all lien and collection rights appurtenant thereto) to the lender as security for repayment thereof.

The Association shall act in accordance with, and may exercise any other right, power or privilege given to it expressly by the Association Documents.

4.2 Association Contracts. To the extent the Board so approves, the Association may enter into or accept the assignment of contracts to provide functions or services for the benefit of or relating to Crystal River Park. The Board shall charge and collect any fees or reimbursements provided by such contract. The Board may require evidence of insurance (a certificate of workers compensation and/or general liability) for all contracted services. The Association shall hire independent contractors and shall not have employees.

4.3 Association Property. All property owned or leased by the Association or designated on the Plat as Crystal Park and Park Area, including the Common Elements, trails and utility easements. This property shall be operated, maintained and exercised by the Association for the use, benefit and enjoyment of the members, their family, guests and invitees. The Association may not convey or subject to a security interest any real property owned or leased by the Association except as provided for in the Declaration of Covenants.

Article 5 - Membership, Voting, Quorum, Proxies

5.1 Membership. The record Owner of each Lot or Property Unit shall be a Member in the Association. The record Owners of all Lots and memberships collectively shall constitute the membership of Crystal River Park Homeowners Association.

5.2 Transfer of Membership. An Owner's membership in the Association may not be assigned, encumbered or transferred in any manner except as incident to the transfer of title to the Lot to which the membership pertains. However, the rights of membership may be assigned to the holder of a mortgage, deed of trust or other security instrument as further security for a loan secured by a lien on such Lot. Transfer of the membership shall occur automatically upon transfer of title to the Lot to which the membership pertains as determined by the records of the County Clerk and Recorder of Pitkin County, Colorado. The Secretary shall be notified of such transfer. Such transfer shall not release the transferor from liability for prior membership obligations.

5.3 Voting. Each Lot or Property Unit shall be entitled to one vote either in person or by proxy for all matters upon which the membership in the Association is entitled to vote. If more than one member chooses to vote on a matter, it shall be presumed that each member is an equal owner of that property and entitled to an equal portion of the one vote, unless the lot owners have provided the HOA with title documentation in which case their votes shall be apportioned according to their ownership interest. It is requested that the Owners of a Lot designate a single member to vote at a meeting. Memberships associated solely with Lots for which periodic assessments and special assessments have been waived due to constrained Lot status or a conservation easement shall not be entitled to vote.

5.4 Quorum. The presence, in person or by proxy, of thirty-three percent (33%) of the Lot Owners of record shall constitute a quorum of the Association for all purposes unless the representation of a larger group shall be required by law or HOA documents.

5.5 Proxies. Votes may be cast in person or by written proxy. Proxies must be filed, on the proxy forms provided, with the Secretary prior to the commencement of a meeting. The number of proxy votes exercised by one individual shall be limited to a maximum of three.

Article 6 – Meetings of the Association

6.1 General. All meetings shall be conducted in accordance with Roberts Rules of Order.

6.2 Place of Meetings. Meetings shall be held at places determined by the Board.

6.3 Semiannual Meetings of Members. The semiannual meetings of the members of the Association shall be held on the first Wednesdays of June and September, or within 10 days of those dates, if properly noticed by the Board. The meetings may also be held as such other as members may by a majority vote approve at a duly noticed meeting. Members may transact such business of the Association as may properly come before them. Nominations for election to the Board will be accepted at either semiannual meeting, with elections held at the September meeting.

6.4 Special Meetings of Members. Special meetings of the members for any purpose(s) other than those regulated by Statute may be called by the President, as directed by the Board or upon a petition signed by 25% of the members which states the purpose(s) for the meeting.

6.5 Notice of Meetings. The President or the Secretary shall give notice of the time, place and purpose of holding each meeting by mail or E-mail not less than 20 and not more than 30 days prior to such meeting. The notice shall be sent to each member's address as it appears in the records of the Association and shall include an agenda, a proxy form and any other documents necessary for the meeting. It is the responsibility of the members to notify the Secretary of any changes in their address, E-mail or other contact information.

6.6 Adjourned Meetings. If a quorum is not present in person or by proxy at the time and place of a meeting, the chair of the meeting or the members present may adjourn the meeting. At any rescheduled meeting for which notice has been given, any business may be transacted that may have been transacted at the original meeting provided a quorum is present.

Article 7 - Board of Directors

7.1 Number and Qualifications. The affairs of the Association shall be governed by a Board consisting of not fewer than three nor more than five Owners.

7.2 Powers and Duties. The Board shall have all the powers necessary to administer the affairs of the Association. The powers of the Board shall include all the rights and duties as set forth in the Acts and the Association Documents. The Board may delegate such duties as appear in the best interest of the Association to the extent permitted by law. In case of a disagreement about the meaning of any item(s) in the Bylaws, the Board's interpretation shall be definitive. At its discretion, the Board may thereafter propose an amendment to these Bylaws to avoid future such disagreement according to Article 15, Amendment of the Bylaws.

7.3 Elections and Term of Office. Association members at the semiannual September meeting shall elect the Board. The term of office for each Director shall be two years. Only one member per Lot shall be allowed to serve on the Board or the ARC at one time.

7.4 Vacancies. The Directors shall notify all members of the vacancy and solicit volunteers for replacement. The vacancy shall then be filled promptly for the unexpired term of office by a majority vote of the remaining Directors, even if they constitute less than a quorum.

7.5 Removal of Directors. At any meeting of the general membership where a quorum is present, any one or more of the Directors may be proposed for removal, with or without cause, by an affirmative vote of a majority of the members present or by proxy. A new Director may be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

7.6 Compensation. No compensation shall be paid to Directors for their services as Directors.

7.7 Meetings of the Board. The Board shall meet within one week following the September semiannual meeting to elect or appoint the Board's Officers and ARC members, to review Board responsibilities and review key issues, and set an agenda for the coming months.

Other Board meetings throughout the year shall be held at such times and places as the President and the Board shall determine. Notice of meetings shall be given to the Board 2 to 10 days prior to the meeting. HOA members should be notified by E-mail and are welcome at Board meetings. Members who plan to attend should notify the host to permit appropriate planning.

In case of an emergency, the President or any two Board members may call a Board meeting. Every effort should be made to quickly notify all Board members and to have a complete Board present at the emergency meeting. Meetings may take place by electronic or telephonic means if a majority of the members of the Board agree to such a meeting.

7.8 Quorum. The majority of the Board shall constitute a quorum.

7.9 Waiver of Notice. If proper notice of a meeting has not been given to all Board members, a meeting may still be held provided that the Board members who were not properly notified provide Waiver of Notice. This may be provided:

- a. In writing, before or after such meeting(s).
- b. By participation in the meeting, unless the Board member objects to the meeting at the beginning or promptly upon arrival at the meeting and does not thereafter vote in favor of or otherwise assent to the action being taken at the meeting.

7.10 Adjournments. The Board may adjourn any meeting for up to 30 days, to another day or time as may be productive or necessary in the interest of the HOA or if a quorum is not present.

7.11 Action of the Board without a Meeting. The Board may take any action without a meeting if all the Directors entitled to vote with respect to said action consent to it in writing.

7.12 Conflict of Interest. A Board member shall immediately disclose to the Board any perceived or potential conflict with respect to any transaction related to the business operations of the Association. The Board member shall declare all material facts of the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.

7.13 Homeowner's Website. The Board shall ensure that a website is available to all Association members. The website shall contain pertinent records of the Association and any disclosures about the Association that may be required by Colorado State Law.

7.14 Liability Protection. The Board shall act to ensure that an insurance contract is current and adequate to protect the members of the Board, the Architectural Review Committee and the Association against liability claims.

7.15 Legal Action by the Board. The resolution of disputes, disagreements, possible violation of Association Documents and legal action by the Board is detailed in the Bylaws Article 10.

Article 8 - Officers

8.1 Designation. The principal officers of the Association shall be a President, Secretary, Treasurer, and *in lieu* of a Vice President, the Chair of the ARC. The Board shall appoint all positions and the other members of the ARC. The Board may appoint an assistant Secretary, an assistant Treasurer and other such officers, such as Bookkeeper, which in their judgment may be necessary.

8.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the first Board meeting following the September semiannual membership meeting.

8.3 President. The President shall be the principal executive officer of the Association. With the approval of the Board, the President shall direct, supervise, coordinate and exercise general authority over the affairs of the Association. The President shall have the powers generally attributable to a chief executive officer of a small corporation. The Association President shall preside at all membership meetings.

8.4 Secretary. The Secretary is the custodian of all the records and shall see that all notices are duly given in accordance with the provisions of these Bylaws and Colorado Law. Specific duties include:

- a. ensure that the books, reports and other documents and records of the Association are properly kept and filed,
- b. keep minutes of the proceedings of the membership meetings and of the Board,
- c. keep and annually update a record of the names, E-mail and home addresses of the Board and owners of units entitled to vote and make the record of owners available to any member so requesting it,
- d. receive evidence of a transfer of title from a new owner,
- e. rent space to store Association meeting and committee records when determined necessary by the Board.

The Board may appoint one or more assistant secretaries who may act in place of the Secretary in the event of the Secretary's death, absence, or inability or failure to act. Records of the Association shall be made available to any member upon reasonable request.

The Secretary shall be the Designated Agent for the Crystal River Park Homeowners Association. In order to retain the not-for-profit status for the Association, the Secretary shall inform the State of the current name and contact information of the Association's Designated Agent, and supply any other requested information.

8.5 Treasurer. The responsibilities of the Treasurer include:

- a. exercise responsibility for the funds for and securities of the Association,
- b. deposit all such funds in the name of the Association in such depositories as shall be designated by the Board,
- c. keep correct and complete books and records of account, records of financial transactions, and the condition of the Association,
- d. submit such reports thereof as the Board may require,
- e. perform such additional duties as the President or the Board may assign.

The Board may appoint one or more assistant treasurers who may act in place of the Treasurer in the event of death, absence or inability or failure to act. Two signatures shall be required for checks of two thousand dollars (\$2,000) or more. One such signature must be that of a member of the Board.

8.6 Chair of the Architectural Review Committee. The Board shall appoint one member of the Board to be the Chair of the ARC. In addition to chairing the ARC, this member shall be the principal liaison between the ARC and the Board.

Article 9 - Indemnification of Officers and Directors

The Association shall indemnify any Director or officer, their heirs, executors, administrators or representatives against all loss, costs, and expenses, including counsel fees reasonably incurred in connection with any action, suit or proceeding to which the Director or officer may be made a party by reason of being or having been a Director or officer of the Association. The exception shall be matters in which the Director or officer shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement.

However, the membership at a duly constituted meeting and after notification, may determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as Director or officer in relating to the matter involved.

The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

Article 10 - Enforcement, Legal Actions and Procedural Rights

10.1 Enforcement. The Covenants give to the Association and the Board the right and power to enforce the provisions of the Association Documents, the Acts or any additional rules or regulations promulgated in keeping with these documents. The procedures to be followed are specified in this

Article. If an Owner believes a violation of these provisions has occurred, that Owner should contact the Board and specify the issue and people involved.

- a. When aware of a clear or possible violation of the Association Documents, the Board may either negotiate with the Owner in possible violation or seek an immediate correction of the problem.
- b. If the Board believes immediate correction is not necessary, the Board will contact the Owner, define the problem and the proposed remedy. Formal notification by mail will also be made. The Owner shall have 15 days from being contacted or from receipt of the notice, whichever is sooner, to remedy the situation or request a meeting with the Board to resolve the matter. This meeting shall be held within 15 days of such a request. A decision by the Board is final.

10.2 Fines (Default Assessments). If the complaint is not resolved, an acceptable plan to remedy the problem submitted to the Board or if the violation persists, the Board may levy a maximum fine of \$50 per day against the Owner in question. However, before any fine is levied, the Owner shall be entitled to a hearing before an impartial decision maker to determine whether the alleged violation has occurred and whether the Owner is the one who should be held responsible for the violation as required by C.R.S. 38-33.3-209.5. The failure of the HOA to insist upon the strict performance of any provisions shall not waive the right of future enforcement.

10.3 Effect of Nonpayment: Assessment Lien. Any Assessment which is not paid within 30 days after its due date will be delinquent, unless the owner has made other payment arrangements with the Board through the Treasurer. If an Assessment installment remains delinquent for 60 more days, the Board may pursue any or all of the following remedies:

- a. accelerate all remaining Assessment installments so that unpaid Assessments for the remainder of the fiscal year will be due and payable at once;
- b. assess an interest charge from the date of delinquency against all unpaid assessments at such rate as the Board may establish, not to exceed 20% per annum;
- c. record a statement of lien with respect to the Lot as below;
- d. initiate a legal action against any Owner or entity responsible for lien payment or commence a legal action to foreclose the lien, or both.

Assessments chargeable to a Lot will constitute a lien on the Lot and improvements thereon regardless of whether the HOA records a lien. If the HOA elects, it may record a written notice of the lien setting forth:

- e. the address of the HOA,
- f. the amount and cause of such unpaid indebtedness,
- g. the amount of accrued penalty on the indebtedness,
- h. the name of the Owner of the Lot, and
- i. a description of the Lot.

The notice will be signed by the President or other duly appointed representative of the HOA and delivered to the Owner by registered mail to the Owner's address of record with the HOA. Ten days after the HOA mails the Owner such a notice, the HOA may record the same in the office of the Clerk and Recorder of Pitkin County, Colorado. However, a lien may be filed and recorded at

any time if there is reason to believe the property may be sold or the owner is about to file for bankruptcy. Such lien for Assessments will attach from the date of the Assessment regardless of when the lien is recorded.

10.4 Unresolved Violations and Legal Action. If the violation continues despite the above steps the Board may at its discretion take the matter to Small Claims Court. Alternatively, the parties may agree to mediation or arbitration. The Board will notify the members of its intent and request feedback at least 10 days before filing with Small Claims Court.

Legal action in any venue other than Small Claims Court against any member, or person, or entity outside the Association requires that the Board notify the membership of their intention to proceed with such an action. Such written notice will include:

- a. the person(s), entity or entities involved,
- b. the reasons for the action,
- c. the expected total costs to the Association for the action, and
- d. the expected outcome of the proposed legal action.

Notice to Association members shall be given as part of the notice for a regular or special membership meeting. To proceed, the proposed legal action must receive approval by a majority of the members voting in person or by proxy at such a duly convened meeting.

If unpaid Assessments (including fines, penalties and interest) persist, the HOA may institute additional legal proceedings against the defaulting Owner. These may include foreclosure in the manner for foreclosing a mortgage on real property under Colorado law and pursuant to the procedures in this Article 10 and the Declaration as well as an action for an Owner's personal liability. In the event of any such foreclosure, the Owner and the Owner's Lot will be liable for the amount of unpaid Assessments and all other costs and expenses including the attorney's fees incurred in connection with the enforcement of the lien.

10.5 Legal Action Against the Association. Members of the Association shall be promptly informed if legal action has been filed against members of the Board, the ARC or the Association. In this case, notice shall be given and a meeting held as specified above for the members to decide upon the best response.

10.6 Emergency Relief. Nothing herein shall be deemed to preclude the filing of any action for a temporary or permanent restraining order or injunction if the delays caused by negotiation and mediation might result in immediate or irreparable harm or injury to the HOA.

10.7 Attorney's Fees and Costs. The prevailing party in any mediation, litigation or other legal proceeding shall be awarded reasonable attorney's fees and costs. Such award shall be part of the Enforcement Lien as described in the Declaration and shall have the same priority as the Declaration with respect to any intervening lien or right.

Article 11 - Budgets and Assessments

Memberships associated with constrained Lot status or a conservation easement are exempt from paying periodic assessments and special assessments.

11.1 Budget. At the September semiannual meeting of the HOA, the Board shall present a proposed budget for the forthcoming year's HOA operations which shall include such items and expenses as the Board shall deem necessary. Approval by a majority of the members of the

Association present or by proxy shall be required. If the proposed budget is not approved, the prior year's budget shall remain in effect until such time as a new budget is adopted.

11.2 Periodic Assessment. Periodic Assessments shall be levied against each Lot based upon the annual budget after Periodic Assessments are approved by a majority vote. Assessments are not owed for any Lot documented to have had its development rights severed.

- a. Periodic Assessments shall be levied the following January.
- b. Written notice of the assessment shall be sent to every owner in January prior to the due date of March 15th of that year.

11.3 Special Assessments. In addition to authorized periodic assessments, the Association may by a majority vote levy at any time a special assessment to meet the obligations of the HOA as in section 11.4 below. Written notice of the amount and time for payment of Special Assessments will be given promptly to the Owners at least 30 days before such payment is due.

11.4 Purposes of Assessments. The assessments levied by the Association shall be used for:

- a. maintaining the roads and the Common Elements,
- b. defraying the costs, expenses and losses of the HOA,
- c. maintaining adequate reserves, and
- d. meeting other needs or obligations of the HOA as stated in the Declaration and these Bylaws.

11.5 Effect of Nonpayment of Assessments, Creation of Lien and Personal Obligation of Assessment. Assessments become delinquent 30 days after the due date. The consequences of non-payment and the processes for resolving issues are specified in the section on Enforcement. The Board may charge interest on past due assessments with a maximum rate of 20% a year.

Article 12 - Bookkeeping and Accountability

12.1 Auditing. The books and records of the Association may be audited by a qualified auditor whose report shall be prepared and certified. The Association will have available for inspection by its members a statement of income and disbursements of the Association for each fiscal year. Statements of transactions of all HOA bank accounts shall be available to each Director monthly.

12.2 Inspection of Books. The financial reports that are required to be furnished, and the membership records of the Association shall be available for inspection at reasonable times at the principal office (home of the President) of the Association..

12.3 Execution of Association Documents. With prior Board authorization, all notes, contracts and other obligations shall be executed on behalf of the HOA by any two Board officers.

12.4 Fiscal Year. The Board shall determine the fiscal year (currently the calendar year) of the Association.

12.5 Notices. Persons or entities intending to serve notices or demands on the Association or its Board shall do so by registered or certified mail to (1) The Secretary of the Association and (2) the President of the Association.

Article 13 - Roads

13.1 Maintenance. The roads in the subdivision are dedicated to the public. Pitkin County has not assumed full responsibility for the cost of maintaining the roads. Until such time as the County agrees to assume the road maintenance obligation, the Association is responsible for keeping the roads within Crystal River Park in a safe and well-maintained condition. Generally, this

maintenance includes snow plowing all roads in the subdivision and applying gravel, as necessary, to steep or icy areas for safety in the winter. In the summer, roads will be graded as necessary. The Board may contract to apply a dust suppressant in the summer to reduce the impact of dust on residents with homes close to roads. Grading and the application of surface gravel or other road surfacing material may be required to maintain the quality of road surfaces. Individual homeowners are responsible for maintaining their own driveways. The Board will also implement any current actions that Pitkin County requires. Every Lot Owner agrees to contribute his prorata share of the expenses for the maintenance of the subdivision roads as part of the Association's periodic assessment.

13.2 Drainage. Maintenance of roadside drainage is essential for maintaining the integrity of the Subdivision Roads. Therefore, the Association shall be responsible for maintaining the natural and roadside drainage systems within Crystal River Park, including the clearing of rocks, silt and vegetation when necessary. Drainage systems shall be maintained adequately to contain spring runoff as well as summer rains and, to the extent practical, heavy cloudbursts and thunderstorms. Individual Owners shall comply with the requirements of the HOA and the Association Documents to mitigate problems of drainage and erosion on their properties.

13.3 Culverts. Driveway culvert installation for new construction and major remodels is the responsibility of the Owner. Owners are responsible for keeping their culverts functioning and clear of excess debris.

Article 14 - Amendment of Bylaws and Articles of Incorporation

14.1 Amendments to these Bylaws must be consistent with the following procedures, regardless of any other procedures or percentage approvals that may govern amendments to the Declaration as set forth in that document. The Board may consult with a lawyer before bringing any proposed amendment to a vote. Amendment to the Bylaws may be proposed in three ways:

- a. by the Board, or
- b. by a petition signed by at least 25% of the Association members, or
- c. an amendment may be proposed at any membership meeting if supported by a majority of the members present. Such an amendment will be considered for adoption at the next meeting.

The statement of a proposed amendment shall accompany the notice of the meeting at which discussion and a vote on the proposed amendment is expected. A proposed amendment must be approved by a majority of members present in person or by proxy to take effect. Amendment to the Bylaws shall be effective immediately upon the vote approving such amendment. The Secretary of the Association shall certify the vote and record the amendment or the amended document with the Pitkin County Clerk and Recorder.

14.2 Amendment to the Articles of Incorporation shall be initiated as in 14.1 above. To be approved the statement of a proposed amendment shall accompany the notice of the meeting at which discussion and a vote on the proposed amendment is expected. A proposed amendment must be approved by 60 % of all current members whether present in person or by proxy and voting at the meeting or voting in the 60 days following the meeting in order to take effect. The vote of each member must be recorded and signed on an approval page distributed with the amendment or on a duplicate acquired at the meeting and the Secretary of the Association must certify that the required

votes were obtained and maintain a record of the votes in the HOA files. Amendment to the Articles of Incorporation shall take effect when the Secretary of the Association certifies the vote and records the amendment or the amended document with the Pitkin County Clerk and Recorder.

Article 15 - Architectural Review and Procedures

Members of the Architectural Review Committee (ARC) shall be appointed by the Board as set forth in the Architectural Regulations that are attached to these Bylaws. The ARC shall review any proposed development or construction within the Subdivision and recommend to the Board that such proposals be approved or disapproved as further described in the Architectural Regulations. The Architectural Regulations governing the goals, functions and procedures of the ARC are part of these Bylaws. However, they are set forth in a separate document for clarity. The Architectural Regulations govern all development on Lots and shall bind all Owners with respect to new construction or remodels of or additions to existing construction.

Article 16 - Architectural Regulations

The Architectural Regulations of Crystal River Park, written as a separate document for clarity are included in these Bylaws by reference.

Article 17 - General Rules

The General Rules of Crystal River Park, written as a separate document for clarity are included in these Bylaws by reference.

