

BY-LAWS FOR
KEN-CARYL RANCH TOWNHOUSE ASSOCIATION

(Also known as Sunset Ridge Townhomes)

ARTICLE I

NAME

The name of the corporation is THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION, also known as the Sunset Ridge Townhomes, hereinafter referred to as the "Sub-Association".

ARTICLE II

DEFINITIONS

Section 1: "Sub-Association" shall mean and refer to THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION, its successors and assigns. "Sub-Association" indicates that THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION is part of THE KEN-CARYL RANCH MASTER ASSOCIATION.

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

Section 3: "Common Properties" shall mean all real property owned by the Sub-Association for the common use and enjoyment of the Members of the Sub-Association.

Section 4: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Properties.

Section 5: “Member” shall mean and refer to every person or entity who is an owner or partial owner of a unit in the Sub-Association.

Section 6: “Owner” shall mean and refer to the record owner whether one or more persons or entities, of the fee simple title to any unit which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7: “Declaration” shall mean and refer to the Supplemental Declaration of Covenants and Restrictions as may be amended applicable to the Properties recorded in the Office of the Clerk and Recorder of Jefferson County, Colorado.

Section 8: “Unit” shall mean a lot that has been developed.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership: Every person or entity who is a record Owner of a fee or undivided fee simple interest in any Unit which is subject by covenants of record to assessment by the Sub-Association, including contract sellers, shall be a Member of the Sub-Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any unit, which is subject to assessment, by the Sub-Association. Ownership of such unit shall be the sole qualification for membership.

Section 2: Suspension of Membership: During any period in which a Member shall be in default in the payment of any annual or special assessment levied by the Sub-Association, the voting rights and right to use of the recreational facilities of such Member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations

established by the Board of Directors governing the use of the Common Properties and facilities.

Section 3: One Vote Per Unit: Members shall be entitled to one vote for each unit they own. Each unit shall be entitled to one vote.

ARTICLE IV

PROPERTY RIGHTS; RIGHT OF ENJOYMENT

Section 1: Each Member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Properties and facilities to his tenants or contract purchasers, who reside on the Property. Such Member shall notify the Secretary in writing of the name of any such delegate. The rights and privileges of such delegate are subject to suspension to the same extent as those of the Member.

ARTICLE V

BOARD OF DIRECTORS; SELECTION AND TERM OF OFFICE

Section 1: Number: The affairs of this Sub-Association shall be managed by a Board of five (5) or seven (7) Directors with the specific number set through resolution of the Board. Directors shall be Members of the Sub-Association.

Section 2: Election: At each annual meeting, the Members shall elect Directors for three (3) year terms to replace those Directors whose terms expire that election year. Directors' terms of office shall be staggered so that the entire Board is not subject to election in any one year.

Section 3: Removal: Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Sub-Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4: Compensation: No Director shall receive compensation for any service he may render to the Sub-Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

BOARD OF DIRECTORS; MEETINGS

Section 1: Regular Meetings: Regular meetings of the Board of Directors shall be held monthly, at such place and hour as may be fixed from time to time by resolution of the Board.

Section 2: Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Sub-Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

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

Section 4: Work Study Sessions: The Board may meet for work study sessions. No votes or formal actions may be taken during work study sessions. Members may attend the session, but may not be allowed to make comments. The workshop may be closed for the same reasons as executive portions of a regular meeting. Notice of the workshop should be posted on the web site 24 hours before the session. During the workshop, the Board may reach non-binding consensus that, at a Board meeting, would be voted on as a Board action.

ARTICLE VII

BOARD OF DIRECTORS; NOMINATION AND ELECTION

Section 1: Nomination: Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nomination committee shall consist of a chairman, who shall be a member of the Board of Directors, and two (2) or more Members of the Sub-Association. The nominating committee shall be appointed by the Board of Directors to serve until the close of the annual meeting. Nominating committee members shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine necessary. Such nominations shall be made from among Members.

Section 2: Election: Election to the Board of Directors shall be by secret written ballot unless there are an equal number of vacancies and nominees. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise. Only one (1) vote per unit may be cast per vacancy. The Members receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

BOARD OF DIRECTORS; POWER AND DUTIES

Section 1: Powers: The Board of Directors shall have power to:

(A) Adopt and publish rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof. The Board of Directors may suspend the voting rights and right to use of the recreational facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Sub-Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; and

(B) Exercise for the Sub-Association all powers, duties and authority vested in or delegated to this Sub-Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declarations; and

(C) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(D) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties; and

(E) Supervise all officers, agents and employees of this Sub-Association, and to see that their duties are properly performed.

Section 2: Duties:

It shall be the duty of the Board of Directors to:

(A) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote; and

(B) Supervise all officers, agents and employees of this Sub-Association, and to see that their duties are properly performed; and

(C) As more fully provided herein, and in the Declaration to:

- (1)** Fix the amount of the monthly assessment against each Unit at least thirty (30) days in advance of the initial monthly assessment, and in advance of a change in the subsequent monthly assessment as hereinafter provided in Article XII; and
- (2)** Send written notice by e-mail, U.S. Mail, or delivery to the Unit of the assessment to every Owner subject thereto at least thirty (30) days in advance of the initial

assessment and thirty (30) days in advance of the effective date of any assessment changes.

(D) Obtain approval of a majority of voting Members before the Sub-Association borrows money or makes long term financial commitments of more than one (1) year. Obtain approval of sixty seven percent (67%) of voting Members for all loans that mortgage or encumbers Common Property; and

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

(F) Purchase and maintain insurance for the Common Property and Exterior Surfaces of Townhomes:

(1) Insurance for Sub-Association Owned Common Areas. The Sub-Association shall include in the assessment levied an amount for casualty insurance for Sub-Association owned property. The Sub-Association shall maintain insurance, to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance. Common Area insurance shall include property insurance covering all insurable improvements, public liability insurance covering all Common Areas, fidelity coverage and bonding to protect against dishonest act by the officers, directors and all others who are responsible for Sub-Association funds and insurance against other risks as the Sub-Association shall deem appropriate.

(2) Insurance for Member Owned Units. The February 1, 1979 FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS (The First Amendment) was approved by the members to add

member owned building insurance and exterior building maintenance to the Power and Duties of the Board of Directors. Based on this Amendment, Board of Directors shall obtain and maintain property insurance as described in The First Amendment to the extent that such insurance is reasonably available, considering the availability, cost and risk coverage provided by such insurance. The Sub-Association shall furnish a certified copy of the policy to any party at interest upon request. The Sub-Association's property insurance on units may contain a large deductible that unit owners may be responsible for if members approve a special assessment. Unit owners are strongly encouraged to consider additional homeowner insurance to include coverage for Sub-Association loss assessment.

(G) Cause all officers or employees having fiscal responsibilities to be bonded or insured as it may be deemed appropriate; and

(H) Maintain Common Property and Exterior Surfaces of Townhomes. The FIRST AMENDMENT TO SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS of February 1, 1979 made the Sub-Association responsible for the exterior of all units:

(1) The Sub-Association shall cause the Common Property to be maintained.

(2) The Sub-Association shall provide exterior maintenance upon each unit structure. Sub-Association maintenance of exterior surfaces will include fences which are not shared by two Units, brick, siding, concrete, fascia board, roofs, shingles, underlayment, gutters, down spouts and trim boards. Skylight repairs will be limited to caulking and/or fastening of flashing. Roof deck repairs will be repairs needed due to the weathering process. The Sub-Association shall have the sole discretion to determine whether to repair or replace and to decide the method for repair and replacement. The Sub-Association will not be responsible for damage caused by ground movement, ground water, surface water action, or defective construction.

- (3) The Unit Owner shall be responsible for maintenance and repairs to their doors, door jambs and thresholds. The Owners shall be responsible for their garage doors except for painting. Owners will be responsible for their interior maintenance and repair, including without limit, routine maintenance and cleaning of the structure, any fixtures, furnishings, equipment and appliances. Also Owners are responsible for maintenance and repairs to windows, glass, screens, skylights, patios, flower boxes and shared fences.
- (4) In the event that the need for exterior maintenance or repair of a structure is caused through the willful or negligent acts or omissions by the Owners, or the Owner's family, guests, or invitees or the Owner's pets, the cost of the maintenance or repair is the Owners responsibility. The Sub-Association in its sole discretion shall determine the cause for exterior maintenance.
- (5) Preventive maintenance to exterior surfaces will occur on a rotating basis with the specific priority to be determined by the Sub-Association.

ARTICLE IX

COMMITTEES

Section 1: The Sub-Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes, such as:

(A) **A Recreation Committee**, which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Sub-Association, and shall perform such other functions as the Board, in its discretion, determines:

(B) **A Publicity Committee**, which shall inform the Members of all activities and functions of the Sub-Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Sub-Association; and

(C) **An Audit Committee**, which shall supervise the annual audit of the Sub-Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 8 (D). The Treasurer shall be an ex officio member of the committee.

Section 2: It shall be the duty of each committee to receive complaints from Members on any matter involving Sub-Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or officer of the Sub-Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1: Annual Meetings: The first annual meeting of the Members shall be held on the third (3rd) Tuesday, September, 1980, and each subsequent regular annual meeting of the Members shall be held in the months of September or October at a time and place to be determined by action of the Board.

Section 2: Special Meetings: Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3: Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Sub-Association, or supplied by such Member to the Sub-

Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum: The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5: Proxies: At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, or submitted electronically, and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1: Enumeration of Officers: The offices of this Sub-Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Treasurer, and such other officers and the Board may from time to time by resolution create.

Section 2: Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The officers of this Sub-Association shall be elected annually by the Board and each shall hold office for one (1) year unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4: Special Appointments: The Board may elect such other officers as the affairs of the Sub-Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies: A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7: Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8: Duties: The duties of the officers are as follows:

PRESIDENT: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign promissory notes and shall be authorized to co-sign all checks.

VICE-PRESIDENT: The Vice-President shall act in the place and stead of the President in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Sub-Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Sub-Association together with their addresses, and shall perform such other duties as required by the Board and shall be authorized to co-sign all checks. The Board may delegate portions of these duties to the Property Manager.

TREASURER: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Sub-Association and shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Sub-Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. The Treasurer shall sign all promissory notes and shall be authorized to co-sign all checks of the Sub-Association. The Board may delegate portions of these duties to the Property Manager.

ARTICLE XII

ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments: By the Declaration each Member is deemed to covenant and agree to pay to the Sub-Association: (1) monthly assessments or charges, and (2) special assessments for capital improvements. The monthly and special assessments, together with such interest thereof, as hereinafter provided shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall not pass to his successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments: The assessments levied by the Sub-Association shall be used to maintain and repair the improvements and property of the association and to promote the long term value of said improvements and property and to promote the use and enjoyment of the Common Properties, and of the homes situated upon the Properties.

Section 3: Annual Assessments: Annual assessments are to be evaluated and adopted annually by the Board of Directors. A budget for the following calendar year shall be prepared prior to the annual meeting so it may be presented at said meeting. This budget should project as closely as possible the expectations and intentions of the Board, to maintain and repair the assets of the community and meet its obligations, for the following calendar year with regards to necessary expenditures. The Board shall maintain a reserve plan to address the long term and periodic maintenance, repair, and replacement needs of the community. The annual assessments should be intended to fund that budget and reserve plan.

Section 4: Special Assessments for Capital Improvements: In addition to the monthly assessments authorized above, the Sub-Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that, any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5: Uniform Rate: Both monthly and special assessments must be fixed at a uniform rate of all Lots.

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

Section 7: Date of Commencement of Monthly Assessments: Due Dates: The monthly assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Properties. The Board of Directors shall fix the amount of the monthly assessment against each Lot at least thirty (30) days in advance of said commencement date and any change in the monthly assessment must be fixed by the Board of Directors at least thirty (30) days in advance of the commencement of the changed assessment amount. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Sub-Association shall upon demand at any time furnish a certificate in writing, signed by an officer to the Sub-Association, setting forth whether said monthly assessments are current. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of the facts stated therein.

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

by them. If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the rate of eight percent (8%) per annum, and the Sub-Association may bring an action at law against the Owner personally obligated to pay the same or to foreclose the lien against the Property and there shall be added to the amount of such assessment, the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court together with the costs of the action.

Section 9: Subordination of the Lien to Mortgages: The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the Properties subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer to such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

Section 10: Exempt Property: The following Property subject to the Declaration shall be exempt from the assessments, charges and liens created herein: (A) All Properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use; and (B) all Common Properties as defined in Article II, Section 3 hereof.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Sub-Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration,

the Articles of Incorporation and the By-Laws of the Sub-Association shall be available for inspection by any Member at the principal office of the Sub-Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

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

ARTICLE XV

AMENDMENTS

Section 1: These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy, except that the provisions of Article VIII, Section 2 may be amended only by a document signed by at least seventy-five percent (75%) of the Members.

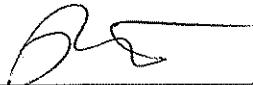
Section 2: In case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Sub-Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

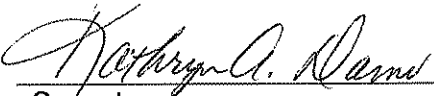
IN WITNESS WHEREOF, we, being all of the Directors of THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION have hereunto set our hands this 12 day of April, 2017.



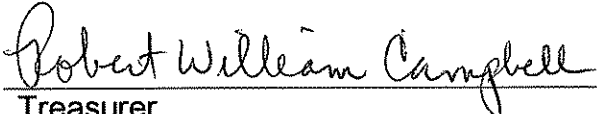
President




Vice President



Secretary



Treasurer



Director at Large

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of THE KEN-CARYL RANCH TOWNHOUSE ASSOCIATION, a Colorado corporation, and that the foregoing By-Laws constitute the amended By-Laws of said Sub-Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 11 day of September, 2014



Secretary