

BYLAWS OF COGWAY TOWNHOMES OWNER'S ASSOCIATION

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BYLAWS

OF

COGWAY TOWNHOMES OWNER’S ASSOCIATION

ARTICLE 1 - INTRODUCTION AND PURPOSE

Section 1.1-Introduction. These are the Bylaws of the Cogway Townhomes Owner’s Association, which Association shall operate under the Colorado Nonprofit Corporation Act, as amended, and applicable portions of the Colorado Common interest Ownership Act, as amended ("Act").

Section 1.2- Purposes. The purpose for which the Association was formed is to govern the Common Interest Community and the Common Elements of the "Cogway Townhomes," situated in the County of El Paso, State of Colorado, as a Common Interest Community was created pursuant to a Declaration. Terms that are defined by the Declaration shall have the same meaning herein, unless defined otherwise in these Bylaws.

Section 1.3-Persons Subject to Bylaws. All present or future Owners, tenants, future tenants, guests or any person that might use or occupy, in any matter, the improvements on each Lot or the facilities within the Common Interest Community, are subject to the terms and provisions of these Bylaws, and the other governing documents ("Documents") of the Common Interest Community. The mere acquisition, rental or use of a lot will signify that the Documents of the Common Interest Community are acceptable, ratified and will be complied with at all times.

ARTICLE 2 -BOARD OF DIRECTORS

Section 2.1-Number and Qualification.

- a. A Board of Directors, numbering three (3), shall initially govern the affairs of the Common Interest Community and the Association. The initial Board of Directors shall be appointed by the Declarant. Not later than the period that Declarant control terminates (pursuant to Article III, Section 3.3 of the Declaration) the Owners shall elect at least three (3) Members of the Association to serve as Directors. If a partnership, corporation, Limited Liability Company or any other entity owns any Lot, any officer; partner, manager or employee of that Lot Owner shall be eligible to serve as a Director and shall be deemed to be a Lot Owner for the purposes of these Bylaws. To be eligible to be a Director, a person must be representative of the Declarant or an Owner. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures, which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.
- b. The Directors shall hold office for a term of one (1) year or until their successors have been elected and hold their first meeting. As the terms of such members expire, their successors shall be elected for terms of one (1) Year. No Director is entitled to receive compensation for the performance of duties but shall be entitled to reimbursement for reasonable and necessary expenses incurred for the benefit of the Association. Nomination for election to the Board of Directors shall be made at the annual meeting. Election to the Board of Directors shall be by secret written ballot. The person receiving the largest number of votes shall be elected.
- c. The Board of Directors shall elect the officers. The Directors and officers shall take office Election.

Section 2.2-Powers and Duties. The Board of Directors may act in all instances on behalf of the association, except as provided in the Declaration and these bylaws. The Board of Directors shall have authority to the limitations contained in the Declaration, the powers and duties necessary of the administration affairs of the Association and the Common interest Community, including the following powers and

- a. Adopt and amend Bylaws and Rules and Regulations
- b. Adopt and amend budgets for revenues, expenditures, and reserves;
- c. Collect assessments for Common Expenses from Lot Owners
- d. Hire and discharge managing agents
- e. Hire and discharge employees, independent contractors and agents employed or contracted by the association.
- f. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive action for violations of the Declaration, Bylaws or Rules in the Association's name, on behalf of the Association or two or more Lot Owners on matters affecting the Common Interest Community;
- g. Make Contracts and incur liabilities;
- h. Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- i. Cause additional improvements to be made as a part of the Common Elements;
- j. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest pursuant to Section 312 of the Act;
- k. Grant easements for any period of time, including permanent easements, grants, leases, and concessions for no more than one year, through or over the Common Elements;
- l. Impose and receive a payment, fee or charge for services provided to Lot Owners and for the rental operation of the Common Elements of than Limited Common Elements.
- m. Impose a reasonable charge for late payments of assessments and, after notice and hearing, hearing, reasonable fines for a violation of the Declaration, Bylaws, Rules and Regulations of the Association;
- n. Impose a reasonable charge for the preparation and recording of amendments to the association or statements of unpaid assessments;
- o. Provide for the indemnification of the Association's officers and the Board of Directors and association Director's and officer's liability insurance;
- p. Exercise any other powers conferred by the Declaration or Bylaws;
- q. Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
- r. Exercise any other necessary and proper for the governance and operation of the Association; and
- s. By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the

resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot Owners and the Board of Directors. However, any Lot Owner may appeal actions taken by a committee to the Board of Directors within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Board of Directors at its next regular meeting.

Section 2.3-Manager. The Board of Directors may employ a manager for the Common Interest Community, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors may delegate to the manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, subdivisions (c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget. Regardless of any delegation to a manager or managing agent, the members of the Board of Directors shall not be relieved of responsibilities under the Declaration, the Articles of Incorporation, these Bylaws or Colorado law.

Section 2.4--Omitted.

Section 2.5 Removal of Directors. The Owners, by a vote of at least two thirds of the votes at any meeting of the Owners at which a quorum is present, or by a simple majority of the Board of Directors, may remove a Director, other than a Director appointed by Declarant, with or without cause.

Section 2.6-Vacancies. Vacancies in the Board of Directors, caused by any reason other than removal of a Director by a vote of the Lot Owners, may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be subject to the reserved rights of Declarant to appoint Directors, unless those rights have expired, in which event, appointments shall be made by a majority of the remaining elected Directors constituting the Board of Directors. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.7-Regular Meetings. The first regular meeting of the Board of Directors following each annual meeting of the Lot Owners shall be held within 10 days after the annual meeting at a time and place to be set at the meeting at which the Board of Directors shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Board of Directors may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 2.8--Special Meetings. Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three business days' notice to each Director. The notice shall be hand delivered or mailed and shall state the name, place and purpose of the meeting.

Section 2.9--Open Meetings/Location of Meeting. All meetings of the Board of Directors, or any committee appointed by the Board of Directors, shall be open to attendance by members as provided for by applicable Colorado law. All meetings of the Board of Directors shall be held within Manitou Springs, CO, unless all Directors consent in writing to another location.

Section 2.10--Waiver of Notice. Any Director may waive notice of any meeting. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.11--Quorum of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any such adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 2.12--Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case maybe. The secretary shall file these consents with the minutes of the meetings of the Board of Directors.

Section 2.13--Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

ARTICLE 3 - OWNERS

Section 3.1-Membership. Ownership of a Lot is required in order to qualify for membership in this Association. Membership is more fully addressed in the Articles of Incorporation and the Declaration.

Section 3.2-Annual Meeting. Annual meetings of Owners shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Board of Directors and set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Owners, in accordance with the provisions of these Bylaws, the Declaration and Articles of Incorporation. The Lot Owners may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

Section 3.3-Budget Meetings. Meetings of lot Owners to consider proposed budgets may be called in the discretion of the Board of Directors. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.4-Special Meetings. Special meetings of the Association may be called by the president, by a majority of the members of the Board of Directors, or by Lot Owners comprising 20 percent of the votes in the Association.

Section 3.5-Place of Meetings. Meetings of the Lot Owners shall be held in the Common Interest Community, or in Manitou Springs area, and may be adjourned to a suitable place convenient to the Owners, as may be designated by the Board of Directors or the president.

Section 3.6--Notice of Meetings. The secretary or other officer specified in the Bylaws shall cause notice of meetings of the Lot Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner, not less than 15 nor more than 30 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.7-Waiver of Notice. Any Lot Owner may, at any time, waive notice of any meeting of the Lot Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.8-Adjournment of Meeting. At any meeting of Lot Owners, a Majority of the Lot Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.9-Order of Business. The order of business at all meetings of the Owners shall be as follows:

- a. Roll call (or check-in procedure);
- b. Proof of Notice of Meeting;
- c. Reading of minutes preceding meeting;
- d. Reports;
- e. Establish number and term of memberships of the Board of Directors (if required and noticed);
- f. Election of inspectors of election (when required);
- g. Election of Directors of the Board of Directors (when required);
- h. Ratification of budget (if required and noticed);
- i. Unfinished business;
- j. New business; and
- k. Adjournment

Section 3.10-Voting.

- a. If only one of several owners of a Lot s present at a meeting of the Association, the owner present is entitled to cast al the votes allocated to the Lot. If more than one of the owners is present, the votes allocated to the Lot may be cast only in accordance with the agreement of a majority in iterest of the owners. There is a majority agreement if any one of the owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot. If protest is made, the vote is null and void.
- b. Votes allocated to a Lot may be cast under a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. A Lot Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.
- c. A partnership, corporation, Limited Liability Company or other entity vote may be cast by any officer, partner, manager, employee or agent in the absence of express notice of

the designation of a specific person by the Board of Directors or bylaws of the owning entity. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, Partnership, Limited Liability Company or other entity is qualified to vote.

- d. Votes allocated to a Lot owned by the Association may not be cast.

Section 3.11-Quorum. Except as otherwise provided in these Bylaws, the Lot Owners present in person or by proxy at any meeting of Lot Owners, but no less than ten percent (10%) of the members, shall constitute a quorum at that meeting.

Section 3.12- Majority Vote. The Vote of a majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation or by law.

Section 3.13-Lot Owner Addresses for Notices. Unless a Lot Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Lot Owner or any other written instrument to be given to any Lot Owner, may be mailed to such Lot Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Lot shown upon the Association's records as being owned by such Lot Owner. If more than one Lot Owner owns a particular Lot, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

Section 3.14-Rules at Meetings. The Board of Directors may prescribe reasonable rules for the conduct of all meetings of the Board of Directors and Lot Owners. In the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 4 - OFFICERS

Section 4.1--Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The President and vice president, but no other officers, need to be Directors. Any two offices

may be held by the same person, except the offices of president and secretary. The office of vice president may be vacant.

Section 4.2- Election of Officers. The Board of Directors at the organizational meeting for each new Board of Directors shall elect the officers of the Association annually. They shall hold office at the pleasure of the Board of Directors.

Section 4.3-Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. An officer may resign any time after giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of such notice or at any time specified therein. The acceptance of such resignation shall not be necessary to make it effective. A successor may be appointed by the Board of Directors or elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. The successor shall serve for the remainder of the term of the officer he/she replaces.

Section 4.4-President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Lot Owners and of the Board of Directors. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Lot Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer.

Section 4.5-Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Board of Directors shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Board of Directors or by the president.

Section 4.6-Secretary. The secretary shall keep the minutes of all meetings of the Lot Owners and the Board of Directors. The secretary shall have charge of the Association's books and papers as the Board of Directors may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7-Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements

and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board of Directors and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes, and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board of Directors. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.

Section 4.8--**Agreements. Contracts. Deeds. Checks. etc.** Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Board of Directors.

Section 4.9--**Statements of Unpaid Assessments.** The treasurer, assistant treasurer, a manager employed by the Association, if any, or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments in accordance with Section 316 of the Act. The Association or manager, if any, may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as a Common Expense against the Lot for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1--**Abatement and Enjoinment of Violations by Lot Owners.** The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Documents shall give the Board of Directors the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2-Fines for Violation. By resolution, following notice and hearing, the Board of Directors may levy reasonable fines per day for each day that a violation of the Documents or Rules persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Board of Directors.

- a. Upon receipt of a complaint, the Board of Directors will verify that a violation exists.

b. A letter will be sent to the violator, outlining the violation and requesting voluntary compliance. A reasonable date will be set for correction of the deficiency.

c. If the violation is not corrected by the designated date, a certified letter will be sent to the violator which will set a hearing date, to be held within two weeks.

(1) At the hearing before the Board of Directors, an attempt will be made to resolve the problem. A date will be set when fines will begin to be assessed if the deficiency is not corrected. It will be the responsibility of the violator to notify the Board of Directors when work is completed or the problem is corrected to schedule a visual inspection.

(2) If the violator does not appear at the hearing, the fines will immediately begin to be assessed.

d. During the period that fines are being assessed, a statement will be sent monthly to the violator. These fines will accrue interest at the rate of 1.5% per month, 18% annually.

e. At the end of the calendar year, a final billing will be sent. If the fines are not paid, the Association will file a lien against the property. Filing fees and any court costs will be charged back to the violator.

f. VIOLATIONS DEFINED

(1) Major: Parking, exterior paint, exterior building installation, landscape installation, fencing and roofing.

(2) Minor: Bicycles on porches, leaving trash/recycle cans out 48+ hours after pickup, Noise violations, and all others.

g. FINES FOR VIOLATIONS:

(1) Major: \$50 per day

(2) Minor: \$25 per day

ARTICLE 6 - INDEMNIFICATION

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in Colorado Nonprofit Corporation Act, the provisions of which are incorporated by reference and made a part of this document.

ARTICLE 7 - RECORDS

Section 7.1--Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense.

Section 7.2-Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Lot Owner, any holder of a Security Interest in a Lot or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3-Records. The Association or its manager or managing agent, if any, may keep the following records:

- a. An account for each Lot, which shall designate the name and address of each Lot Owner, the amount of each Common Expense assessment, the dates an which each assessment comes due, the amounts paid on the account and the balance due;
- b. An account for each Lot Owner showing any other fees payable by the Lot Owner;
- c. A record of capital expenditures approved by the Board of Directors;
- d. A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
- e. The most recent regularly prepared balance sheet and income and expense Statement, if any, of the Association;
- f. The current operating budget;
- g. A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

- h. A record of insurance coverage provided for the benefit of Lot Owners and the Association;
- i. A record of my alterations or improvements to Lots or Limited Common Elements which violate any provision of the Declarations of which the Board of Directors has knowledge;
- j. A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Board of Directors has knowledge;
- k. A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
- l. Balance sheets and other records required by Colorado corporate law
- m. Tax returns for state and federal income taxation;
- n. Minutes of proceedings of Lot Owners, Directors, committees of Directors and waivers of notice; and
- o. A copy of the most current versions of the Declaration, Articles of Incorporation, Bylaws, Rules, and resolutions of the Board of Directors, along with their exhibits and schedules.

ARTICLE 8 - MISCELLANEOUS

Section 8.1- Notices. All notices to the Association or the Board of Directors shall be delivered to the office of the manager, or, if there is no manager, to the office of the Association. or to such other address as the Board of Directors may designate by written notice to all Lot Owners. Except as otherwise provided, all notices to any Lot Owner shall be sent to the Lot Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2-Fiscal Year. The Board of Directors shall establish the fiscal year of the Association.

Section 8.3-Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4-Office. The principal office of the Association shall be in the Community or at such other place as the Board of Directors may from time to time designate.

Section 8.5--Working Capital. A working capital fund is established pursuant to the Declaration. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Lot's share of the working capital fund may be collected and then contributed to the Association at the time the sale of the Lot by Declarant or a Participating Builder is closed. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Common Expense Assessment.

Section 8.6-Reserves. As a part of the adoption of the regular budget the Board of Directors shall include an amount which, in its reasonable business Judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements, if any, that it is obligated to maintain, based upon age, remaining life and the quantity and replacement cost of major Common Element improvements.

ARTICLE 9 – AMENDMENTS TO BYLAWS

Section 9.1--Vote of Board of Directors Members. The Bylaws may be amended only by vote of two-thirds of the members of the Board of Directors, following notice and opportunity to comment to all Lot Owners, at any meeting duly called for such purpose. Amendments to the Bylaws may be recorded in the records of the Clerk and Recorder of El Paso county, but such recording shall not be a requirement for the validity of such amendments.

Section 9.2--Restrictions on Amendments. No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any Security Interest covering any Lot or which would materially change the provisions of the Bylaws with respect to a first lien Security Interest or the interest of an institutional mortgagees of record.

ARTICLE 10-MORTGAGES

Section 10.1-Notice to Association. An Owner who mortgages his Lot shall notify the Association, through the Association's Secretary, of the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Lots."

Section 10.2-Notice of Unpaid Common Expenses. This Association, whenever so requested in writing by a Mortgagee of a Lot, shall promptly report any then unpaid common expenses dues from the Owner of its mortgaged Lot, or any other default by the Owners of a mortgaged Lot which delinquency in payment or other default is not cured within sixty days from the date of the occurrence.

Section 10.3-Notice of Default. When giving notice to an owner of a default in paying common expenses or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such Lot if the Association has actual knowledge of sat Mortgage and such Mortgagee has requested such notice in writing.

Section 10.4-Examination of Books. Upon payment of a reasonable fee to be set by the Board, and upon ten (10) days' written notice to the Board or the managing agent of the Association, any Owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessments or other charges due and owing from such Owner. Current copies of the declaration, Articles of Incorporation and Bylaws, rules and regulations governing the association, and other books, records and financial statements of the association, shall be made available to Owners, first Mortgagees of Lots and insurers or guarantors of any such First Mortgage. Current copies of the Declaration, Articles of Incorporation. Bylaws, rules and regulations and the latest financial statement of the Association shall be available for examination by prospective purchasers of Lots.

ATTEST: Certified to be the Bylaws adopted by consent of the Directors of the Cogway Townhomes Owners Association, dated 2007.

Mike Moran, Manager

**ARTICLES OF INCORPORATION
OF
COGWAY TOWNHOMES OWNERS ASSOCIATION**

a Colorado Non-Profit Corporation

The undersigned, acting as the incorporator of a nonprofit corporation pursuant to Colorado Revised Statutes 7-122-102, delivers these Articles of Incorporation to the Colorado secretary of State for filing and states as follows:

**ARTICLE I
NAME**

The name of the nonprofit corporation shall be Cogway Townhomes Owners Association.

ARTICLE II

PRINCIPAL OFFICE

The address of the initial principal office of the nonprofit corporation is:

2330 North Powers Boulevard Colorado Springs, CO 80915

ARTICLE III

REGISTERED AGENT

The name and the business address of the initial registered agent for service of process on the nonprofit corporation is:

Michael Moran, Esq.

220 East Costilla Colorado Springs, co 80903

ARTICLE IV

MEMBERS

The corporation WILL HAVE voting members.

ARTICLE: V

INCORPORATORS

The name and address of the incorporator is: Michael Moran, Esq.

220 East Costilla

Colorado Springs, CO 80903

Geoff Heim

220 East Costilla

Colorado springs, CO 80903

Mike Reeg

2330 North Powers Boulevard

Colorado Springs, CO 80915

ARTICLE VI

PURPOSES AND POWERS OF THE ASSOCIATION

The purposes and objectives for which this Association is formed

(none of which shall be for pecuniary profit) are:

A) To be an owners association for the owners in Cogway Townhomes Owners Association, a common interest community in El Paso County, Colorado, and to provide a means of self-government for the owners of the property within the said project to advance their common interests with respect to the "Common Area" and the "Property", as defined in the Declaration of Covenants, Conditions, and Restrictions of the Cogway Townhomes owners Association (Declaration) and all amendments thereto, which Declarations will be recorded in the real property records of El Paso County, Colorado.

B) To perform acts and services, in accordance with the requirements for an association of owners charged with the administration of property under the Colorado Common Interest Ownership Act, as amended.

C) To provide for the care, management, control, preservation, operation, maintenance, repair, restoration and replacement of the areas required or permitted to be maintained by the Association, in the manner prescribed by the Declaration, and to provide other services with respect to such areas deemed advantageous by the Owners of Lots in the Common Area or required or authorized under the Declaration.

D) To promote the safety and welfare of the owners (as such term is defined in the Declaration).

E) To enforce, on behalf of the Owners, rules and regulations made or promulgated by the Board with respect to the safe occupancy, reasonable and use and enjoyment of the Owners, building, structures, grounds facilities of the Common Interest Community, and to enforce compliance with these rules, including the levy of reasonable fines.

F) To enforce, in its own name or on behalf of its Members (as defined in the Declaration), the protective covenants, conditions and restrictions set forth in the Declaration and in rules and regulations of the Association and to seek redress for the violation of any provisions, by any and all remedies available at law or equity or authorized under the Declaration.

G) To prepare estimates and budgets of the costs and expenses of rendering any and all services as deemed appropriate by the Board; and to perform, or contract, or enter into agreements for that performance, as provided for in this Article.

H) To apportion these estimated costs and expenses among the Owners and collect those costs and expenses from the Owners obligated to assume or bear the same.

I) To borrow money for the Association's purposes.

J) To retain counsel, auditors, accountants, appraisers and other persons or services that may be necessary for or incidental to any of the activities of the Association, and to acquire, sell, mortgage, lease or encumber any real or personal property for these purposes.

K) To eliminate or limit the personal liability of a Director to the Association or to the members for monetary damages for breach of fiduciary duty as a Director, as allowed by law.

L) To do any and all permitted acts suitable or incidental to any of the foregoing purposes and objects to the fullest extent permitted by law, and do any and all acts that, in the opinion of the Board will promote the common benefit and enjoyment of the occupants, residents and Owners of the Common Interest Community, and to have and to exercise any and all powers, rights and privileges which are granted under the Colorado Common Interest Ownership Act, the Declaration, the Bylaws, and the laws applicable to a nonprofit corporation of the State of Colorado.

ARTICLE VII

INDEMNIFICATION

The corporation shall indemnify, to the fullest extent permitted by applicable law in effect from time to time, any person, against all liability and expense (including attorney's fees) incurred by reason of the fact that he/she is or was a director of the corporation or, while serving as a director of the corporation, he/she is or was serving at the request of the corporation as a director. The corporation shall also indemnify any person who is serving or has served the corporation as director to the extent and in the manner provided in any bylaw, resolution of directors, contract or otherwise, so long as such provision is legally permissible.

ARTICLE VIII

PROVISIONS FOR THE DISTRIBUTION OF ASSETS

The provisions for the distribution of assets upon dissolution of the nonprofit corporation are as follows: Upon dissolution, the net assets of the non-profit corporation shall not inure to benefit any private individual or corporation but shall be distributed to an _____ organization with like purposes. No part of the net earning properties, or assets of the corporation, upon dissolution or otherwise, shall inure to the benefit of any private person or individual, or any member or director of the corporation. Upon liquidation all properties and assets and obligations shall be distributed and paid over to an organization with like purposes provided that the organization continues to be dedicated to the exempt purposes as specified in the Internal Revenue Code Section 501 (C)(3).

ARTICLE: IX

DOCUMENT DISTRIBUTION

The name and mailing address of t e individual who has caused this document to be delivered for filing and to whom the Secretary of State may deliver notice if filing of this document is refused is:
Incorporating Services, Inc.

Michael Schiller, Paralegal 6290 Lehman Drive, Ste. 203

Colorado Springs, Colorado 80918

We, Michael Moran, Esq., Geoff Heim, Esq. Mike Reeg, have signed these articles of incorporation this _____ day of May, 2007

Michael Moran, Esq., Incorporator _____

Geoff Heim, Esq., _____

Mike Reeg, Incorporator _____

CONSENT OF REGISTERED AGENT

I, Michael Moran, Esq., consent to being appointment as the corporation's initial registered agent.

Michael Moran, Registered Agent _____