

deemed appropriate or as may be established by the Board or by the members of the Association at any regular or special meetings.

Section 9.5 Vice President. The Vice President shall have all of the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

Section 9.6 Secretary. The Secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general perform all the duties incident to the officer of the Secretary. The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show appropriate designation of the lot owned by such member, the ownership interest in the Common Area attributable thereto and a description of the any Limited Common Area assigned for exclusive use in connection with such lot. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

Section 9.7 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

ARTICLE X

INDEMNIFICATION AND NON-LIABILITY

Section 10.1 Indemnification. The Association shall indemnify every director, officer, agent, or employee, and any former director, officer, agent, or employee, against loss, costs, and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being, or

following actions: (i) to levy a penalty assessment as provided in the Declaration; (ii) to suspend or condition the right of said Owner to use the Project recreational facilities, if any, or other Common Area owned, operated, or maintained by the Association; (iii) to suspend such Owner's voting privileges as an Owner, as further provided in the Declaration; or (iv) to record a notice of noncompliance against the Lot of the Respondent in the real property records of the County of Jefferson, Colorado. Any such suspension shall be for a period of not more than sixty (60) days for any noncontinuing infraction. If there is a continuing infraction (including nonpayment of any assessment after it becomes delinquent), suspension may be imposed for so long as the violation continues. The failure of the Board to enforce the provisions of the Declaration, the Articles, these Bylaws, the Rules and Regulations, or the decisions or resolutions of the Association or the Board shall not constitute a waiver of the right to enforce them thereafter. The remedies set forth above and otherwise provided by these Bylaws shall be cumulative and none shall be exclusive. However, any individual Owner must exhaust all available internal remedies of the Association prescribed by these Bylaws or by the Rules and Regulations of the Association before that Owner may resort to a court of law for relief with respect to any alleged violation of the Declaration, the Articles, these Bylaws, the Rules and Regulations, or the decisions or resolutions of the Association or the Board, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Owner where the complaint alleges nonpayment of any type of assessment.

Section 12.2 Written Complaint. A hearing to determine whether a right or privilege of a Respondent under the Declaration, the Articles, or these Bylaws should be suspended or conditioned shall be initiated by the filing of a written Complaint with the President of the Association or other presiding members of the Board. Any Owner, officer, or member of the Board or the Architectural Control Committee may file such Complaint. The Complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged and a reference to the specific provisions of the Declaration, the Articles, these Bylaws, the Rules and Regulations, or the decisions or resolutions of the Association or the Board which the Respondent is alleged to have violated. A copy of the Complaint shall be delivered to the Respondent in accordance with the notice procedures set forth in Section 7 of this Article IX of these Bylaws.

having been such director, officer, agent, or employee of the Association, except as to matters as to which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall be limited to and may only be paid out of the insurance proceeds provided by a insurer furnishing officers and directors or errors and omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles for public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlement in indemnification to the actual proceeds of insurance policies. No indemnification shall be provided for acts constituting gross negligence, nor for fraud, nor for more reprehensible conduct.

In the event of a settlement, the settlement shall be approved by the insurance carrier, and paid for by the insurance carrier out of the insurance proceeds.

ARTICLE XI

AMENDMENTS

Section 11.1 Bylaws. These bylaws may be amended by action or approval of the majority of the Board of Directors. Any notice of any meeting, therefore, shall specify the nature and text of any proposed amendments, provided that these Bylaws shall at all times comply with the provisions of Colo. Rev. Stat. Ann. Section 38-33-1065 (1973 as amended).

ARTICLE XII

NONCOMPLIANCE

Section 12.1 Suspension of Privileges. In the event of an alleged violation of the Declaration, the Articles, these Bylaws, or the Rules and Regulations of the Association, and after written notice of such alleged violation is given to the Owner or any Guest of the Owner alleged to be in default ("Respondent") in the manner here provided, the Board shall have the right, after affording the Respondent an opportunity for an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all directors, to take any one or more of the

together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as Respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within fifteen (15) days after you were served with the Complaint, you will thus have waived your right to a hearing and the Board of Directors may proceed upon the Complaint without a hearing. The request for a hearing shall be made by delivering or mailing a 'Notice of Defense' substantially in the form as shown below to the Board of Directors at the following address:

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items in file in connection with this matter in the possession, custody, or control of the Board, you may contact the Board at such address."

The Respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board. The Respondent may file a separate statement by way of mitigation, even if he does not file a Notice of Defense.

The Notice of Defense shall be substantially in the following form:

"To: Board of Directors of Trail Ridge Homeowners Association, Inc.:

Having received notification of the Complaint filed against me on _____, I do hereby wish to exercise my right to have a hearing