

BY-LAWS

OF

SILVERADO II HOMEOWNERS ASSOCIATION

The name of the organization shall be SILVERADO  
II HOMEOWNERS ASSOCIATION.

ARTICLE I

OBJECT

(Plan of Ownership)

1. The purpose for which this non-profit Association is formed is to govern the condominium property situate in the County of Grand, State of Colorado, described in the Condominium Declaration for Silverado Condominiums II and any property submitted thereto by supplement or otherwise under the provisions of the Condominium Ownership Act of the State of Colorado and as provided in the Declaration.

2. All present or future owners, tenants, future tenants, or any other person that might use the facilities of the condominium project in any manner are subject to these By-Laws. The acquisition of any of the condominium units or the rental of a condominium unit in the condominium project or the act of occupancy of any of said condominium units will signify that these By-Laws are accepted, ratified, and will be complied with.

## ARTICLE II

## MEMBERS

1. Membership. Any person on becoming an owner or part owner of a condominium unit in the condominium project shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own any interest in a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2. Voting. The owners of each condominium unit shall have voting rights as are set forth in the Declaration on all matters in which the members are entitled to vote.

3. Annual Meeting. The annual meeting of the Association shall be held in December of each year, at a time and place to be designated by the Board of Directors prior to December 20 of the previous year. If the election of Directors shall not be held on the day designated for the annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

The first annual meeting of the Board of Directors shall be held on December 1, 1980.

4. Special Meetings. Special meetings of the members may be called at any time by the President, or by resolution of the Board of Directors or upon a petition signed by a majority of the members requesting such a meeting being presented to the Secretary.

5. Place of Meeting. The Board of Directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting.

6. Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each member of record. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

7. Quorum. Members entitled to represent a majority of the vote, either in person or by proxy, shall constitute a quorum at

a meeting of the members.

8. Manner of Acting. The act of the majority of the members present at a meeting at which a quorum is present shall be binding on all unit owners unless an alternative percentage for ratification of an act by the members is required by these By-Laws or the Condominium Declaration for Silverado Condominiums II.

### ARTICLE III

#### BOARD OF DIRECTORS

1. Management. Management of the business, property and affairs of the Association shall be controlled by the Articles of Incorporation and these By-Laws, the Board of Directors may exercise all such powers and perform all such lawful acts as are not prohibited by statute or by the Articles of Incorporation or by these By-Laws.

2. Number, Tenure, and Qualification. The Board of Directors shall consist of three (3) members, to serve one year terms.

Directors shall be elected by the members at the annual meeting of members from the membership. The Directors of the Association with the exception of the members of the First Board of Directors, must, at all times, be members of the Association; provided, however, that Shirley Tillman shall be entitled to elect the members of the Board of Directors, who need not be members of the Association, until such time as 61 of all of the condominium units to be constructed within the

condominium project have been sold by Shirley Tillman.

3. Resignation or Removal. Directors may resign at any time by tendering a written resignation to the Board of Directors. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the members of the Association.

4. Vacancies in Office. Vacancies on the Board of Directors shall be filled by a majority vote of the remaining members of the Board of Directors, whether or not a quorum, as defined in Article II, Section 8 herein, who shall be present at the meeting of the Board at which such vacancies are filled. Persons filling vacancies created shall serve the unexpired term of the vacancy filled. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of members or at a special meeting of members called for that purpose.

5. Regular Meetings. A regular meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place, either within or outside Colorado, for the

holding of additional regular meetings without other notice than such resolution.

6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or outside Colorado, as the place for holding any special meeting of the Board of Directors called by them.

7. Notice. Notice of any special meeting shall be given at least seven days previous thereto by oral notification or by written notice delivered personally or mailed to each director at his business address, or by notice given at least two days previously by telegraph. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

8. Quorum. A majority of the number of directors fixed by Section 2 of this Article shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

9. Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

10. Committees. The Board of Directors may by resolution adopted by a majority of the directors in office create or dissolve such standing, special and advisory committees as it deems necessary.

11. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation, rental and maintenance of a first class condominium complex.

12. Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration

and supplements thereto submitting the properties to the provisions of the Condominium Ownership Act of the State of Colorado.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, rental, use and occupancy of all of the condominium properties with the right to amend same from time to time. The condominium unit owners may, either at any annual meeting or at a special meeting called for such purpose, amend the house rules and may adopt new house rules. A copy of all such house rules shall be delivered or mailed to each member promptly upon adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements, the interiors of the units including the fixtures, and all items of personal property located therein.

(d) To insure and keep insured all of the insurable general common elements of the properties (and also all fixtures; interior walls and partitions; decorated and finished surfaces of perimeter walls, floors and ceilings; doors; windows and other elements or materials comprising a part of the apartment units) in an amount equal to their maximum replacement value as is provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00

per accident and \$50,000.00 property damages. To insure and keep insured all of the fixtures, personal property and equipment acquired by the Association for the benefit of the Association and the owners of the condominium units and their first mortgagees.

(e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises and condominium project and to adjust, decrease or increase the amount of the monthly assessments. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) To maintain a working capital account which shall be treated as an escrow account for each individual condominium unit owner.

(g) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration or these By-Laws.

(h) To protect and defend the entire premises from loss and damage by suit or otherwise.

(i) To borrow funds for any purpose in connection with their duties and to execute all such instruments evidencing such indebtedness as is expressly authorized. Any such indebtedness shall be the several obligation of all of the unit owners only in the same proportion as their voting interest.

(j) To enter into contracts in order to carry out their duties.

(k) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners.

(m) To meet at least twice each year.

(n) Through a Managing Agent to designate the personnel necessary for the maintenance and operation of the general common elements and the operation and rental of the units.

(o) To control and manage the use of the parking area and the assignment of parking spaces.

(p) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out all aspects of condominium ownership and the rental of the individual units.

13. No Waiver of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Condominium Declaration, the By-laws or the regulations and house rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

14. Management Agent. The Board of Directors shall employ for the Association a management-rental agent at a compensation established by the Board to perform the duties listed in Section 12 of this Article III.

## FISCAL MANAGEMENT

The provision for fiscal management of the condominium units for and in behalf of all of the unit owners as set forth in the Condominium Declaration shall be supplemented by the following provisions:

1. Accounts. The funds and expenditures of the condominium unit owners by and through the Association shall be credited and charged to accounts under the following classifications, as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence.

## ARTICLE V

## OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice-President and a Secretary/Treasurer, all of whom shall be elected by and from the Board of Directors,

and such assistant officer positions as the Board of Directors may, from time to time, direct be filled. The individual holding the office of Assistant Secretary need not be a member or condominium owner or Board member.

2. Election and Term of Office. The officers shall be elected by the Board of Directors at its first regular meeting following the annual meeting of the Association, and shall hold office for one year and until their successors have been duly elected and qualified.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. Duties and Authority. The officers of the Association shall have such authority and duties as from time to time may be determined by the Board of Directors, including but not limited to the following:

(a) President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of the president of an association, including but not limited to the power to appoint committees (except as is otherwise

provided in these By-Laws) from among the owners, from time to time, as he may in his discretion decide is appropriate.

(b) Vice-President. The Vice-President shall have all the power and authority to perform all the functions and duties of the President, in the absence of the President, or in the event of the President's inability for any reason to exercise his powers and functions or perform his duties.

(c) Secretary/Treasurer. The Secretary/Treasurer shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary. The Secretary/Treasurer shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member. 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. The Secretary/Treasurer shall cause to be furnished to him monthly a copy of the receipts and disbursements in proper accounting form. The Secretary/Treasurer may delegate the responsibility for the deposit of all monies and all valuable effects to the Managing Agent, and the Secretary/Treasurer, from time to time, shall review such deposits.

## ARTICLE VI

## INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify every director, officer, managing agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or managing agent of the Association, except as to matters as to which he 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 as to which the Association is advised by its counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director, officer or managing agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director, officer or managing agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing contained in this Article VI shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a director or officer of the Association with

respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration.

2. Other. Contracts or other commitments made by the Board of Directors, officers or the managing agent shall be made as agent of the condominium unit owners, and they shall have no personal responsibility on any such contract or commitment (except as condominium unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the condominium unit owners, except that any losses incurred by the Association because of its inability to collect such proportionate share of the total liability from a particular member shall be shared proportionately by the other members.

#### ARTICLE VII

##### OBLIGATION OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet all of the expenses incurred by this Association, and payment thereof shall be made no later than the tenth (10th) day following the mailing of the monthly statement to the registered mailing address of the owner. The assessments shall be made pro rata and shall be due monthly in advance. A member shall be deemed

to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these By-Laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium owned by him.

2. Notice of Lien or Suit. Any owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may effect the title to his condominium unit. and such notice shall be given five (5) days after the owner has knowledge thereof.

3. Maintenance and Repair.

(a) Every owner shall be obligated for the expense of all maintenance and repair work within his own apartment unit, which, if omitted would affect the rentability of the unit. The Managing Agent shall cause the necessary work to be accomplished in order to maintain the unit in a first class condition.

(b) All maintenance and repairs of internal installations within the apartment unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures, and all other accessories, equipment and fixtures including furniture and other items of personal property, shall be at the unit owner's expense.

(c) An owner shall be obligated to reimburse the Association or other condominium owners promptly upon receipt of a statement for any expenditures incurred by the Association or other unit owner or both in repairing, replacing or restoring any general common element or the interior or any part of a unit damaged as a result of his negligence or the negligence of his tenants, agents or guests.

4. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other apartment units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within twenty (20) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half of the amount of such claim plus interest for one year together with the sum of One Hundred Fifty Dollars (\$150.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject owner, and his failure to so pay shall entitle

the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided. All costs and expenses incurred by the Association shall be forthwith reimbursed to it by such owner(s).

5. General.

(a) Each owner shall comply strictly with the provisions of all legal and other documents affecting his unit and the general common elements, including these By-Laws.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for which the condominium improvements were built.

6. Use of Units - Internal Changes.

(a) All units shall be utilized only for residential occupancy by the owner, his family and guests and by persons renting the units.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without previously notifying the Association in writing through the Managing Agent, or through the President of the Association. The Association shall have the obligation to answer within ten (10) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modification or alteration.

7. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the limited common elements of the completed condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

Each owner shall be entitled to the use of those parts of the general common elements such as walks, and other such facilities, all of which are intended to enhance the utility and value of each of the condominium units in the condominium project; subject, however, to the rules and regulations established or to be made with the right to amend same from time to time.

8. Right of Entry.

(a) Every owner hereby grants the right of entry to the Managing Agent or to any person authorized by the Board of Directors in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that request for entry is made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

(c) Consistent with the rental operation of the units, the Managing Agent shall have the right and authority to take possession thereof for such purposes.

9. Rules and Regulations.

(a) No person shall post any advertisement, or posters of any kind in or on the premises except as authorized by the Association.

(b) Owners and occupants of units shall exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played, musical instruments and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or other occupants or units.

(c) It is prohibited to hang garments, rugs, and other materials from the windows or from any of the facades of the buildings.

(d) It is prohibited to dust rugs or other materials from the windows or to clean rugs by beating on the exterior part of the buildings.

(e) It is prohibited to throw or place garbage or trash other than in the disposal installations provided for such purposes.

(f) No owner, resident or lessee shall install wiring for electrical or telephone installations, television antennae, machines or air conditioning units on the exterior of the project or that protrude through the walls or the roof of the project except as expressly authorized by the Association.

(g) The Managing Agent or if there is no Managing Agent, then the Board of Directors shall retain a passkey to each unit. No owner shall alter any lock or install a new lock on any door leading into the unit without the approval of the Association.

The Board of Directors reserves the power to establish, make and enforce compliance with such additional house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time.

#### ARTICLE VIII

##### AMENDMENTS TO BY-LAWS

Except as set forth herein or in the Condominium Declaration, these By-Laws may be amended at a duly constituted meeting for such purpose. No amendment shall take effect or be valid unless approved by owners representing at least seventy (70) percent of the aggregate interest of the undivided ownership of the general common elements. No By-Law or any part thereof in conflict with the Condominium Declaration or the Laws of the State of Colorado shall be valid. Each one of the particulars set forth in CRS Section 38-33-106(1973) as amended, shall always be embodied in the By-Laws unless the same may be and is set forth in the Condominium Declaration or elsewhere.

#### ARTICLE IX

##### MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent or the Secretary of the Board of Directors, giving the name and address of his mortgagee. The Association shall maintain such information in a book(s) entitled "Owner's-Mortgages of Units".

2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit and upon payment of a reasonable fee, report any unpaid assessments due from the owner of such unit.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS  
AND REQUIRED PROXIES

1. Proof of Ownership. Any person on becoming an owner of a condominium unit shall furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

2. Registration of Mailing Address. The owners of each condominium unit shall have one and the same registered mailing address to be used by the Managing Agent or the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or any combination thereof to be used by the Association. Such registered address of an owner or owners shall be furnished to the Secretary within five (5) days after transfer of title, such registration shall be in a written form and signed by all of the owners of the condominium unit or by such persons as are

authorized by law to represent the interests of (all of) the owners thereof.

3. Required Proxies. If title to a condominium unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owner shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as is provided by this Section 3. The requirements herein contained in this Article X shall be first met before an owner shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

#### ARTICLE XI

##### ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS

1. Abatement and Enjoinment. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any By-Law, or the breach of any provisions of the Declaration, shall give the Board of Directors or the Managing Agent

the right, in addition to any other rights set forth in the Declaration or herein, (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass or any other civil or legal violation; (b) to enjoin abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

## ARTICLE XII

### NON-PROFIT STATUS

This Association is not organized for profit. No member, member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Directors; provided, however, (1) that reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member or manager may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

## ARTICLE XIII

## AUTHORIZED SIGNATORIES

The persons who shall be authorized to execute any and all instruments of conveyance under the provisions of the Declaration shall be the President and the Secretary or Assistant Secretary of the Association, and the same persons shall be authorized to execute promissory notes as is provided in Section 12(i) of Article III of these By-Laws.

## ARTICLE XIV

## APPOINTMENT OF TRUST DEED BENEFICIARY

Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust deed their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee any and all rights, privileges and powers that they have as unit owners under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association the Managing Agent or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy.

Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a unit owner.

#### ARTICLE XV

##### INSPECTION OF ASSOCIATION BOOKS

The unit owners and their mortgagees, if any, may inspect the records of receipts and expenditures of the Board of Directors pursuant to CRS Section 38-33-107(1973) as amended, at convenient weekday business hours. Upon ten (10) days notice to the manager or Board of Directors and upon payment of a reasonable fee, any unit owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from the owner.

#### ARTICLE XVI

##### DESTRUCTION OR OBSOLESCENCE

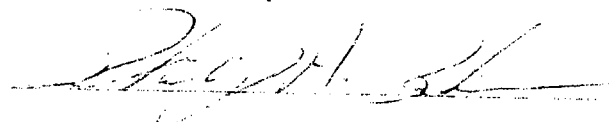
Each owner shall, upon becoming an owner of a condominium unit, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its destruction or obsolescence as is provided in paragraph 28 of the Condominium Declaration for Silverado Condominiums II.

ARTICLE XVII

The Grand County Water and Sanitation District #1 will be supplying the water to Silverado Condominiums II. The water pipeline which will transport the water onto and throughout the property will be owned and maintained by the Association as a General Common Element.

KNOW ALL MEN BY THESE PRESENTS: That the undersigned Secretary of the Association does hereby certify that the above and foregoing By-Laws were duly adopted by the Directors of said Association as the By-Laws of said Association on the \_\_\_\_\_ day of \_\_\_\_\_, 1950, and that they do now constitute the By-Laws of said Association.

ATTEST:

  
Secretary