

RABBIT EARS VILLAGE BYLAWS

(Amended and Restated as of 29 Nov., 2007)

ARTICLE I

GENERAL

- Section 1.1** **Name.** The name of this corporation is Rabbit Ears Village Association, Inc. which shall be referred to herein for convenience as the "Association". The Association is duly constituted as the owners' association for Rabbit Ears Village Subdivision (the "Subdivision"), located in Grand County, Colorado, to which reference is made in the Declaration of Covenants, Conditions, Easements and Restrictions for said Subdivision, as originally recorded in the office of the Grand County Clerk and Recorder in Book 180 at Pages 365 through 384, and as heretofore or hereafter amended (the "Declaration").
- Section 1.2** **Principal Office.** The principal office of the Association shall be at such specific location as may be, from time to time, designated by the Board of Directors.
- Section 1.3** **Seal.** The corporate seal shall have inscribed thereon the name of the corporation and the word "Seal" in manner, size and fashion as may be determined by the Board of Directors. Said seal shall be used by causing it, or a facsimile thereof, to be impressed or affixed, or otherwise reproduced.
- Section 1.4** **Fiscal Year.** The fiscal year of the Association shall be that selected by the Board of Directors and having been so determined is subject to change as determined by the Board of Directors.
- Section 1.5** **Applicable Law.** Since the Subdivision was created prior to July 1, 1992, it is a "preexisting common interest community", which is subject to some but not all of the provisions the Colorado Common Interest Ownership Act (C.R.S. 38-33.3-101 *et seq.*), herein referred to as "CIOA". Except as superseded by CIOA, and except as otherwise provided in these Bylaws or the Articles of Incorporation of the Association, the provisions of the Colorado Revised Nonprofit Corporation Act (C.R.S. 7-121-101 *et seq.*), herein referred to as "RNCA", also apply to the operations and governance of the Association.

ARTICLE II

PURPOSES AND POWERS

- Section 2.1** **Purposes.**
- (a) To promote pleasure, social recreation, and sports activities for its members, their families and guests and to develop and maintain a recreationally oriented environment in the Rabbit Ears Village Subdivision, a

subdivision of a part of Grand County, Colorado, as shown on the plats thereof filed with the Recorder of Deeds in Grand County (referred to herein as the "Subdivision");

(b) To provide a means whereby the streets, and those areas within the Subdivision designated as parks, lakes, recreational areas or other amenities on the plats thereof, and such other recreational facilities within the Subdivision as may be conveyed to the Association or established by it, may be operated, maintained, repaired and replaced; and

(c) To provide a means for the promulgation and enforcement of all regulations necessary to the governing of the use and enjoyment of such streets, parks, lakes, recreational facilities or other amenities and such other recreational facilities within the Subdivision as may be conveyed to the Association.

Section 2.2

Powers. The Association shall have power to do whatever is necessary, conducive, incidental or advisable to accomplish and promote its purposes, except carrying on a business or trade for profit for its members, and in connection therewith shall have but shall not be limited to, the following powers:

(a) To acquire real or personal property by gift, purchase or other means;

(b) To own, hold, enjoy, lease, operate, maintain, convey, sell, assign, transfer, mortgage or otherwise encumber or dedicate for public use, any real or personal property owned by it;

(c) To exercise the powers and functions granted to it in the Declaration and in any Agreements and/or Deeds relating to property in the Subdivision;

(d) To construct, maintain and operate recreational facilities of all kinds within the Subdivision;

(e) To care for vacant, unimproved or unkempt lots;

(f) To maintain, rebuild, repair, beautify and otherwise care for all streets, project parks, pedestrian easements and drainage improvements within the Subdivision not subject to maintenance by governmental authority;

(g) To pay taxes and assessments, if any, levied by any governmental authority on property owned by it;

(h) To enforce charges, easements, restrictions, covenants, conditions and agreements existing upon or created for the benefit of the real property in the Subdivision;

- (i) To appoint such committees as may be necessary to, or convenient in, the discharge of any of its obligations or powers;
- (j) To levy an annual charge upon its members and to declare the same a lien against the property subject thereto in accordance with the Declaration and any Agreements and/or Deeds relating to property in the Subdivision;
- (k) To sue to collect any charges not paid and in connection therewith to foreclose any lien granted to it;
- (l) To borrow money, contract debts, and issue bonds, notes and debentures, and secure the payment or performance of its obligations;
- (m) To expend its moneys for the payment and discharge of all proper costs, expenses and obligations incurred in carrying out all or any of these powers in furtherance of its purposes and objectives;
- (n) To contract for and pay any premiums for fire, casualty, liability and other insurance, including indemnity and other bonds;
- (o) To contract and pay for maintenance, gardening, utilities, materials, supplies and services relating to property or facilities owned or operated by it and to employ personnel reasonably necessary for the administration of its affairs including legal counsel and accountants;
- (p) To do all other acts necessary or expedient for administration of its affairs and the attainment of its purposes;
- (q) To levy such dues and assessments, fines and penalties on members as may be provided in the Bylaws and to take such action to collect or enforce the same as said Bylaws or the covenants, conditions and restrictions may authorize; and
- (r) To have and exercise all such further powers as are now or may hereafter be permitted by CIOA and RNCA or successor acts.

ARTICLE III

MEMBERSHIP

Section 3.1 **Classes.** There shall be two (2) classes of membership in the Association, i.e. Members and Associate Members.

Section 3.2 **Members.** Membership shall be appurtenant to ownership of a lot in the Subdivision and anyone who owns or becomes an owner of a lot shall, by reason of such ownership, become and hereby is made a member of the Association,

provided that no person or entity holding an interest in a lot as security for performance of an obligation shall be a member until fee ownership is acquired by foreclosure or otherwise, whereupon it shall become a member. "Lot" for purposes of determining membership shall mean: (i) each numbered residential lot (as opposed to community lots) described and set forth in the plat maps of the Subdivision recorded in the Clerk and Recorder's Office for Grand County, Colorado. By acquiring title to a Lot, the owner(s) shall be deemed to have consented to becoming a member of the Association.

Members shall be limited to the owners of one (1) or more Lots (as the same is defined herein). Ownership of more than one (1) Lot shall entitle the owner to all the rights and privileges of membership and shall subject such owner to all the liabilities and duties attendant upon ownership of each Lot separately; provided, however, that the Association may issue a single certificate or other evidence of membership relating to all Lots owned by a member; and provided further, that the owner of more than one (1) Lot shall be considered as a single member for purposes of notice and determination of associate memberships.

Only members shall be entitled to vote in the affairs of the Association. A member shall be entitled to (1) vote for each Lot the member owns in the Subdivision.

Section 3.3 **Associate Members.** The following shall be entitled to associate membership in the Association:

- (a) The Spouse and/or children of a member who also have the same residence as the member;
- (b) Any person who is a tenant or regular occupant of any residential building within the Subdivision; and
- (c) Officers and directors of the Association not otherwise a member by reason of Lot ownership.

Persons qualifying under more than one (1) of the above categories shall, nevertheless, be entitled to only a single associate membership.

Associate members shall have no vote or right to notice of any meeting of members, regular or special. Associate members shall not be required to pay an annual charge but shall be entitled to enjoy all the other privileges of membership, subject, however, to their observance of all rules and regulations governing the conduct of members.

Associate membership shall cease automatically upon termination of the status giving rise to such membership.

Section 3.4 **Privileges.** Members and associate members, and the guests of each shall have the use of streets, parks and pedestrian easements in the Subdivision and any other property or facilities from time to time owned by the Association, subject to the provisions of the restrictive covenants of the various units of the Subdivision from time to time recorded and such other rules for the use of streets, pedestrian easements, parks or other property or facilities as may be adopted by the Board of Directors of the Association.

Section 3.5 **Suspension of Membership Rights; Fines.** In addition to all other available remedies, the Board may suspend any or all of the membership rights, including without limitation all voting rights and rights to use Association property, of any Lot owner who the Board finds to have violated any provisions of the Declaration or of the Bylaws or rules and regulations of the Association. The Board may also levy a reasonable fine upon the owner for any such violation. The following procedures shall be followed prior to any such suspension of an owner's membership rights or the imposition of a fine:

(a) The Board shall cause written notice to be given to the Lot owner of the proposed suspension and/or fine and the reasons therefore. If such notice is given by mail, it shall be sent by first class or certified mail addressed to the last known address of the owner according to the Association's records. The notice shall be mailed or otherwise given not less than fifteen (15) days prior to the effective date of the suspension and/or fine or the date when the matter will be considered by the Board or by a committee or person designated by the Board.

(b) The notice shall inform the owner of the time and place when the matter of the alleged violation and the suspension and/or fine to be imposed will be considered by the Board or by a committee or person designated by the Board; or alternatively, such notice may state the date when the proposed suspension and/or fine will take effect if not rescinded. Such notice shall also inform the owner that the owner will be allowed the opportunity to be heard, orally or in writing, by appearing at the designated time and place for consideration of the alleged violation, or by submitting a written response not less than five (5) days before the time when the matter will be considered or before the effective date of the proposed suspension and/or fine, whichever is applicable. Any written response received after the deadline specified in the notice need not be considered by the Board.

(c) The Board or the committee or person designated by the Board shall consider any pertinent information submitted regarding the alleged violation, including any information or response submitted by the owner accused of the violation in accordance with subsection (b) of this Section, and shall determine the appropriate penalty if such violation is found to exist. If it is determined that a violation occurred, the membership rights of the offending

owner may be suspended or a reasonable fine may be levied against such owner, or both such a suspension and fine may be imposed. If the proposed suspension and/or fine and the effective date thereof are specified in the notice issued to the owner, such suspension and/or fine shall take effect as specified unless action is taken by the Board or the committee or person designated by the Board to rescind or delay the suspension and/or fine prior to such effective date. Otherwise, the suspension and/or fine shall take effect as ordered by the Board or the committee or person designated by the Board

Fines imposed under this Section shall include the costs incurred by the Association in connection with the violation and the proceedings pursuant to this Section for suspension of membership rights and/or imposition of a fine, including reasonable attorney fees. The fine imposed may also include an additional amount as punishment for the violation and as a deterrent to future violations. Such punitive portion of the fine may be determined on a case by case basis or by reference to a fine schedule that may be adopted and amended by the Board from time to time. In establishing a reasonable fine, whether by reference to such a fine schedule or on a case by case basis, the Board or the committee or person designated by the Board shall consider all relevant factors, including but not limited to the impact of the violation on other Lot owners, whether the violation was willful or unintentional, and the extent to which the owner has cooperated in resolving the violation. All fines imposed pursuant to this Section shall constitute a lien on the Lot of the owner found guilty of the violation, pursuant to C.R.S. 38-33.3-316, which may be foreclosed in the manner provided by law and the Declaration.

Suspension of an owner's membership rights, or imposition of a fine, shall not excuse, delay or otherwise affect the owner's continuing duty to comply with the owner's obligations under the Declaration, Bylaws and rules and regulations, including without limitation the obligation to pay assessments. Neither shall the fact that such a suspension of membership rights or fine was or was not ordered by the Board in any way limit or affect the other rights and remedies available to the Board or the Association with respect to any violation of the Declaration, Bylaws or rules and regulations.

If suspension of an owner's membership rights becomes effective, the owner shall not be entitled to have such rights reinstated until the owner has completely cured the violation or violations which were the cause for the suspension and the owner is otherwise in compliance with all applicable provisions of the Declaration, Bylaws or rules and regulations, including payment of any assessments and fines then due.

ARTICLE IV

EVIDENCE OF MEMBERSHIP AND TRANSFER

Section 4.1 **Membership Record.** A register of Members and Associate Members and assigned keys shall be kept sufficiently current to assure proper identification and control.

Section 4.2 **Membership Cards and Keys.** The Association may issue cards and keys to members and/or associate members from time to time as the Board of Directors may deem necessary to assure proper control and identification.

Section 4.3 **Issuance.** Members shall be entitled to exercise all of the rights and privileges of membership, and they shall be subject to all of the obligations and liabilities thereof without the actual issuance and possession of a membership card and/or key; provided, however, that the Association shall incur no liability for failure to give adequate notice to members not of record.

Section 4.4 **Transfer.** Membership in the Association is transferable only upon the conveyance of the Lot giving rise to such membership, and such transfer of membership shall occur automatically upon transfer of title to any Lot. Any other attempted transfer or assignment of membership shall be null and void. At time of Lot transfer, those keys assigned to that Lot, shall also transfer along with membership. No member may resign from the Association, except upon transfer of the membership as provided herein. A transfer of a Lot and the membership appurtenant thereto shall not relieve the former owner of any indebtedness or liabilities owed to the Association, including but not limited to any liability for assessments becoming due prior to the date of the transfer.

ARTICLE V

MEETINGS OF MEMBERS

Section 5.1 **Place of Meetings.** Any meetings of the members of the Association shall be held at such particular place as may be designated by the Board of Directors, as stated in the notice for such meeting.

Section 5.2 **Annual Meeting.** The annual meeting of the members of the Association for the election of Directors whose terms have expired and for the transaction of such other business as may properly come before the meeting, shall be held at such hour and on such date during the month of August of each year as shall be determined by the Board of Directors.

Section 5.3 **Special Meetings.** Special meetings may be called by the President, or by a majority of the Board of Directors, or after receipt by the Association of a written demand signed and dated by the members having at least twenty percent (20%) of

the total voting power, which demand shall state the purpose or purposes of the proposed special meeting. If notice is not given within thirty days after the date of the written demand or demands are delivered to a corporate officer, a person signing the demand may set the time and place of the meeting and give notice as provided in these Bylaws. Special meetings shall be held at such time and place as may be designated by the President. If no place is so designated, the special meeting shall be held at the Association's principal office. Only business within the purpose or purposes described in the notice may be conducted at a special meeting of members.

Section 5.4 **Notice of Meetings.** Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the members, the secretary or other officer designated by the Board of Directors shall cause notice to be hand delivered or sent prepaid by United States mail to each member of record entitled to vote at the meeting. Such notice shall be mailed to the mailing address of each Lot according to the records of the Association or to any other mailing address designated in writing by the member. In order to be entitled to receive notice of any meeting, a member shall advise the Association in writing of any change in the member's mailing address as shown on the Association's books and records. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, any proposal to remove an officer or member of the Board of Directors, and in the case of a special meeting, the purpose or purposes for which the meeting has been called. The notice of any meeting of members shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. In addition to the printed notice, if electronic means are available, the Association shall provide notice of all regular and special meetings of members by electronic mail to all members who so request and who furnish the Association with their electronic mail addresses. Such electronic notice of a special meeting shall be given as soon as possible but at least twenty four hours before the meeting. At the option of the Board of Directors, notice of any member meeting may be given by electronic mail to all members with available addresses, regardless of any request therefore, and such notice may be posted on the Association's website, in addition to the printed notice. Mailed notice shall be deemed to be delivered when deposited in the United States Mail, with postage prepaid, and notice given by any other method shall be deemed delivered when sent or given.

Section 5.5 **Fixing of Record Date.** For the purpose of determining members entitled to: (i) notice of or vote at any meeting of members or any adjournment thereof; (ii) demand a special meeting; or (iii) make a determination of members for any other proper purpose, the Board of Directors may fix a future date as the record date for any such determination of members. Such date in any case shall be not more than seventy days, and, in case of a meeting of members, not less than ten days, prior to the date on which the particular action requiring such determination of

members is to be taken. If no record date is fixed by the Board for determining members entitled to notice of any meeting, the record date shall be the day before the notice of the meeting is given to members. When a determination of members entitled to vote at any meeting of members is made as provided in this Section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it must do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting. Unless otherwise specified when the record date is fixed, the time of day for such determination shall be as of the corporation's close of business on the record date. Notwithstanding the above, the record date for determining the members entitled to take action without a meeting or entitled to be given notice of action so taken shall be the date a writing upon which the action is taken is first received by the Association. The record date for determining members entitled to demand a special meeting shall be the date of the earliest of any of the demands pursuant to which the meeting is called.

Section 5.6 **Adjourned Meetings and Notice Thereof.** Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power of which is either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at any such meeting.

When any members' meeting, either annual or special, is adjourned for 120 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which such adjournment is taken.

Section 5.7 **Quorum.** The presence at any meeting, in person or by proxy of the holders of 25% (twenty-five percent) of the votes of the entire membership shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum.

If any meeting, annual or special, cannot be held for lack of a quorum, the owners present either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be reduced to presence, in person or by proxy, of twenty-five percent (25%) of the votes of the entire membership.

Section 5.8 **Voting.** Except as otherwise provided by law, only those members in good standing whose names stand on the records of the Association on the record date,

fixed as provided in Section 5.5 of these Bylaws, shall be entitled to vote at any meeting of members. If no record date is fixed in advance of a meeting, then those members in good standing whose names stand on the records of the Association immediately prior to the commencement of the meeting as determined by the Board of Directors, shall be entitled to vote at the meeting. Except as otherwise provided herein, each member is entitled to one vote for each Lot owned. If only one of the multiple owners of a Lot is present at a meeting of the Association, such owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the multiple owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot. The affirmative vote of a majority of the votes entitled to be cast at a meeting at which a quorum is present, determined by the presence of voters or by proxy, shall be required for any action by members, including the election of Directors, unless a greater proportion is required by law, the Articles of Incorporation of the Association, or these Bylaws.

Section 5.9 **Meeting Procedures.** Each Director position shall be elected separately. Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each member entitled to vote shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event a member holds a proxy for another member, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the member shall receive a secret ballot to cast the vote of the member who provided the proxy. The proxy shall be kept and retained by the Association. Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the members shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot. Notwithstanding the above, uncontested elections of Board members or other votes on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request of twenty percent (20%) of the members who are present at the meeting or represented by proxy. Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting.

Section 5.10 **Meetings by Telecommunication.** If authorized by the Board, any or all of the members may participate in an annual or special membership meeting by, or the meeting may be conducted through the use of any means of communication by

which all members participating in the meeting can hear each other during the meeting. A member participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 5.11 **Action by Members Without Meeting.** If authorized by the Board, any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a written consent (or counterparts thereof) that sets forth the action so taken is signed by all of the members entitled to vote with respect to the subject matter thereof and received by the Association. Such consent shall have the same force and effect as a unanimous vote of the members and may be stated as such in any document. Action taken under this Section is effective as of the date the last writing necessary to effect the action is received by the Association, unless all of the writings specify a different effective date, in which case such specified date shall be the effective date for such action. Any member who has signed a writing describing and consenting to action taken pursuant to this Section may revoke such consent by a writing signed by the member describing the action and stating the member's prior consent is revoked, if such writing is received by the Association before the effectiveness of the action. All signed written instruments necessary under this provision shall be filed with the minutes of the membership meetings.

Section 5.12 **Action by Written Ballot.** Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. The written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against the proposed action. Approval by written ballot shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (i) indicate the number of responses necessary to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the time by which the ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person voting to reach an informed decision. Written ballots may not be revoked.

Section 5.13 **Members Lists.** Except as otherwise expressly provided in these Bylaws, the Association shall not be required to prepare or allow inspection or copying of any list of members who are entitled to notice of and to vote at a meeting or to take action by written ballot. Specifically, the Association shall not be obligated to prepare or allow inspection or copying of any members list pursuant to C.R.S. 7-127-201.

Section 5.14 **Proxies.** At all meetings of members, a member may vote by proxy by signing an appointment form or similar writing, either personally or by the member's duly authorized attorney-in-fact. A member may also appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype or other electronic transmission providing a written statement of the appointment to the proxy, a proxy solicitor, proxy support service organization or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association. The transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the member transmitted or authorized the transmission of the appointment. The proxy appointment form or similar writing shall be filed with the secretary of the Association before or at the time of the meeting. The appointment of a proxy is effective when received by the Association and is valid for eleven months unless a different period is expressly provided in the appointment form or similar writing. Any complete copy, including an electronically transmitted facsimile, of an appointment of a proxy may be substituted for or used in lieu of the original appointment for any purpose for which the original appointment could be used. An appointment of a proxy is revocable by a member and may be revoked by attending any meeting and voting in person or signing and delivering to the secretary or other agent authorized to tally proxy votes either a writing stating that the proxy is revoked or a subsequent appointment form. The death or incapacity of the member appointing a proxy does not affect the right of the Association to accept the proxy's authority unless notice of the death or incapacity is received by the secretary or other officer or agent authorized to tabulate votes before the proxy exercises its authority under the appointment. The Association shall not be required to recognize an appointment made irrevocable if it has received a writing revoking the appointment signed by the member either personally or by the member's attorney-in-fact, notwithstanding that the revocation may be a breach of an obligation of the member to another person not to revoke the appointment. Subject to provisions in the CIOA and RNCA concerning the corporation's acceptance of votes and any express limitation on the proxy's authority appearing on the appointment form, the Association is entitled to accept the proxy's vote or other action as that of the member making the appointment.

ARTICLE VI

DIRECTORS

Section 6.1 **Powers.** Subject to any limitations of the articles of incorporation, of these Bylaws, and of CIOA and RNCA, and subject to the duties of directors as prescribed by these Bylaws, all corporate powers of the Association shall be exercised by or under the authority of and the business affairs of the Association shall be controlled by, the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

- (a) To select and remove all officers, agents and employees of the Association and prescribe such powers and duties for them as may not be inconsistent with law, with the articles of incorporation or these Bylaws;
- (b) To conduct, manage and control the affairs and business of the association and make such rules and regulations therefore not inconsistent with law, with the articles of incorporation or these Bylaws, as they may deem best;
- (c) To change the principal office for the transaction of the business of the Association from one location to another; to designate the place for the holding of any members' meeting or meetings; and to adopt, make and use a corporate seal, and to prescribe the form of membership identification cards and assignment of keys, from time to time, as in their judgment they may deem best;
- (d) To take such steps as may be necessary to implement any of the powers of the Association as provided in Section 2.2, hereof; and
- (e) To appoint an Executive Committee and other committees, and to delegate to such Executive Committee any of the powers and authority of the Board in the management of the business and affairs of the Association except the power to adopt, amend or repeal Bylaws. Any such Executive Committee shall be composed of two (2) or more directors.

Section 6.2 **Number and Qualification.** The authorized number of directors of the Association shall be five (5) until changed by an amendment of the Bylaws. Directors are required to be members of the Association.

Section 6.3 **Election and Term of Office.** The term of office of Directors shall be for two (2) years, and such terms shall be staggered, so that two (2) of the five (5) Directors are elected at the annual meeting in odd numbered years and the other three (3) Directors are elected at the annual meeting in even numbered years. If for any reason any annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 6.4 **Vacancies.** Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or special meeting of the members.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the members fail at any annual or special meeting of

members at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting, or if a vacancy is declared by the Board of Directors for any reason permitted by law.

The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, the Board or the members shall have power to elect a successor, pursuant to the provisions hereof, to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director from office prior to the expiration of his term.

Section 6.5 **Regular Meetings.** Immediately following each annual meeting of members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Additional regular meetings may be held according to such schedule as may be adopted and amended from time to time by the Board. Call and notice of such regular meetings are hereby dispensed with.

Section 6.6 **Special Meetings.** Special meetings of the Board of Directors for any purpose or purposes may be held at any time upon call by the President or, if he is absent or unable or refuses to act, by any Vice President or by any two (2) directors. Such meetings may be held at any place designated from time to time by resolution of the Board or by written consent of all members of the Board.

Written notice of the time and place of special meetings shall be delivered personally to each director or sent to each director by mail or other form of written communication, charges prepaid, addressed to him at his address as it is shown upon the records of the Association. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the Association is located at least forty-eight (48) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall constitute due, legal and personal notice to such director.

Section 6.7 **Waiver of Notice.** A Director may waive notice of a meeting before or after the time and date of the meeting by a writing signed by the Director. Such waiver shall be delivered to the corporate secretary for filing with the corporate records, but such delivery and filing shall not be conditions to the effectiveness of the waiver. Further, a Director's attendance at or participation in a meeting waives any required notice to the Director of the meeting unless at the beginning of the meeting, or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken

at the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified the notice or waiver of notice of such meeting.

Section 6.8 **Quorum; Member Participation.** A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors unless a greater number be required by law or by the articles of incorporation. Lot owners, as members of the Association, are entitled to attend meetings of the Board of Directors, but are not entitled to any individual notice of such meetings. After a motion and second has been made on any matter to be discussed, at a time determined by the Board, but prior to a vote by the Directors, owners, or their designated representatives, present at such time shall be afforded an opportunity to speak on the motion. The Board may place reasonable time restrictions on those speaking. The Board of Directors may hold executive or closed door sessions in accordance with the requirements of C.R.S. 38-33.3-308.

Section 6.9 **Adjournment and Notice.** A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meetings, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 6.10 **Proxies.** For purposes of determining a quorum and for purposes of casting a vote as to a particular proposal, a Director may be deemed to be present and to vote if the Director grants a signed, written proxy to another Director. The proxy must direct a vote to be cast with respect to the particular proposal that is described with reasonable specificity in the proxy. No other proxies are allowed.

Section 6.11 **Telephonic Meetings.** The Board may permit any Director (or any member of any committee designated by the Board) to participate in a regular or special meeting of the Board of Directors or a committee thereof through the use of any means of communication by which all Directors participating in the meeting can hear each other during the meeting. A Director participating in a meeting in this manner is deemed to be present in person at the meeting.

Section 6.12 **Action Without a Meeting.** Any action required by law to be taken at a meeting of the Board of Directors, or any committee thereof, or any other action which may be taken at a meeting of Directors, or any committee thereof, may be taken without a meeting if every member of the Board in writing either: (i) votes for such action or (ii) votes against such action or abstains from voting and waives

the right to demand that action not be taken without a meeting. Action is taken only if the affirmative votes for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted. The action shall only be effective if there are writings which describe the action, signed by all Directors, received by the Association and filed with the minutes. Any such writings may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy of the document including a copy of the signature. Actions taken shall be effective when the last writing necessary to effect the action is received by the Association unless the writings set forth a different date. Any Director who has signed a writing may revoke it by a writing signed, dated and stating the prior vote is revoked. However, such writing must be received by the Association before the last writing necessary to effect the action is received. All such actions shall have the same effect as action taken at a meeting.

ARTICLE VII

OFFICERS

Section 7.1 General. The officers of the Association shall be a President, one (1) or more Vice Presidents, a Secretary and a Treasurer, and each of them shall be elected by the Board of Directors. The Association may also have such other officers, including one (1) or more Assistant Secretaries, as may be appointed by the Board of Directors. Officers, other than the President, need not be directors. One person may hold two (2) or more offices.

Each officer shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified; provided, that officers may be appointed at any time by the Board of Directors for the purpose of initially filling an office or filling a newly created or vacant office.

Section 7.2 Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors in office at the time, at any regular or special meeting of the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 7.4 **President.** The President, who shall be chosen from the Board of Directors, shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the members and of the Board of Directors. He shall be an ex officio member of all of the standing committees, including the Executive Committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

Section 7.5 **Vice President.** In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as may be prescribed for him respectively by the Board of Directors, the President or these Bylaws.

Section 7.6 **Secretary.** The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members, or a duplicate thereof, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of memberships present or represented at members' meetings and the proceedings thereof.

The Secretary shall keep or cause to be kept, in any form permitted by law, at the principal office or such other place as the Board of Directors may order, a membership register, or a duplicate thereof, showing the names of the members and their addresses, the Lot numbers of each Lot owned upon which such membership is based, the number and date of each key assigned to that Lot owner.

The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board of Directors required by these Bylaws or by law to be given, and shall keep the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these Bylaws.

Section 7.7 **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, or losses. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit all moneys and other valuables in the name of and to the credit of the Association with such depositories as may be designated by the

Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors, the President or these Bylaws.

ARTICLE VIII

ANNUAL ASSESSMENT

- Section 8.1** **General.** Prior to the first day of September of each year the Board of Directors shall consider the current and future needs and adequate reserves of the Association and, in light of those needs shall fix by resolution the amount of the annual assessment to be levied against each Lot in the Subdivision, for the following calendar year, which amounts shall be a debt of the owner thereof at the time such charge is made.
- Section 8.2** **Amount.** The amount of the annual assessment per Lot to be so levied shall be designated by the Board of Directors.
- Section 8.3** **Notice.** The Secretary shall mail or cause to be mailed to each member, at such member's record address, written notice of each annual assessment for the following calendar year, and the time and manner for payment thereof, prior to the fifteenth day of September of each year. Annual assessments will become due and payable on the first day of January of each year for the following calendar year, and shall be considered delinquent if not received or postmarked by the 15th day of January of the calendar year in which they are due. A Member whose annual assessment is delinquent at the time of a member meeting, shall, for purposes of voting, be considered a Member not in good standing and be denied the privilege of voting at that meeting. Failure of a member to pay assessments when due shall cause an immediate suspension of the voting rights of the member, and the provisions of Section 3.5 of these Bylaws, relating to the procedure for suspension of membership rights, shall not apply to such suspension.
- Section 8.4** **Lien.** The amount of such annual assessment, if not paid when due, plus any other charges thereon such as interest when delinquent and costs of collection (including attorney's fees), if any, shall constitute and become a lien on the Lot so assessed or on the underlying real property and the Board of Directors may cause to be recorded with the Clerk and Recorder's Office for Grand County, a notice of assessment lien which shall state the amount of such assessment lien, a description of the Lot or other real property which has been assessed, and the name of the record owner thereof. Such notice shall be signed by the Secretary of the Association on behalf of the Association. Upon payment of said assessment and charges in connection with which such notice has been so recorded, or other

satisfaction thereof, the Board of Directors shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof.

The authority to levy such assessments and impose liens upon Lots in the Subdivision is granted to the Association in the Declaration. In addition, the provisions of CIOA grant the Association a statutory lien to secure payment of assessments, fines, fees, charges, late charges, attorney fees and interest due from a Lot owner.

Section 8.5 Priority of Lien. Such liens shall have priority over other liens and encumbrances as provided in CIOA.

Section 8.6 Lien Enforcement. The lien provided for herein may be enforced by the Association, its attorney or other person authorized by it after failure of the responsible party to pay the annual assessment in any manner permitted by the laws of Colorado.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Corporate Records. The Association shall keep as permanent records minutes of all meetings of its members and Board of Directors, a record of all actions taken by the members or Board of Directors without a meeting and of actions taken by a committee in place of the Board of Directors, and a record of all waivers of notices of meetings of members, the Board of Directors or any committee. The Association shall also maintain the following records: (i) appropriate accounting records; (ii) a record of its members which permits preparation of a list of the name and address of all members in alphabetical order and, if applicable, by class which shows the number of votes each member is entitled to cast.

(a) The Association shall keep a copy of the following records at its principal office: (i) its articles of incorporation and bylaws; (ii) Board resolutions relating to the characteristics, qualifications, rights, limitations and obligations of members or any class or category of members; (iii) minutes of all members' meetings and records of all action taken by members without a meeting for the past three years; (iv) all written communications within the past three years to members generally as members; (v) a list of the names and business or home addresses of its current Directors and officers; (vi) a copy of its most recent corporate report delivered to the Secretary of State; (vii) all financial audits or reviews conducted pursuant to C.R.S. 38-33.3-303(4)(b) during the immediately preceding three years; and (viii) the Declaration and any separate covenants affecting the entirety of the property subject to the Declaration.

Section 9.2 **Inspection and copying of corporate records.** Upon written demand delivered at least five business days before the date on which a member wishes to inspect and copy any of the corporate records identified in Subsection 9.1(a), a member, its agent or attorney is entitled to inspect and copy such records during regular business hours at the corporation's principal office. The Association may impose a reasonable charge, covering the costs of labor and material, for copies of the documents provided. The charge may not exceed the estimated cost of production and reproduction of the records. A member may also inspect any other corporate records at a reasonable location specified by the Association upon the same terms and conditions. Members entitled to inspect these other records must also meet the following requirements: (i) the demand must be made in good faith and for a proper purpose; (ii) the member must describe with reasonable particularity the purpose and the records the member desires to inspect; and (iii) the records must be relevant to the purpose of the request. Association records, including membership lists, shall not be used by any member for: (i) Any purpose unrelated to an member's interest as an member; (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the members in an election to be held by the Association; (iii) Any commercial purpose; (iv) For the purpose of giving, selling, or distributing such Association records to any person; or (v) Any improper purpose as determined in the sole discretion of the Board. The rights set forth in this Section may not be abolished or limited by the articles of incorporation or the Bylaws.

Section 9.3 **Financial Statements.** Upon the written request of any member, the Association shall mail to such member its most recent annual financial statements, if any, and its most recently published financial statements, if any, showing in reasonable detail its assets and liabilities and results of its operations.

Section 9.4 **Checks and Drafts.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be determined by resolution of the Board of Directors.

Section 9.5 **Execution of Contracts.** The Board of Directors, except as may be otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument or document in the name of and on behalf of the Association and such authority may be general or confined to specific instances. Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts, promissory notes and other evidences of indebtedness, deeds of trust, mortgages and other corporate instruments or documents requiring the corporate seal, shall be executed, signed or endorsed by the President (or Vice President) and by the Secretary (or any Assistant Secretary) or the Treasurer.

Section 9.6 **Limitation of Powers.** The Association shall not incur total unpaid principal debt in excess of One Hundred Thousand Dollars (\$100,000) for the purchase of real

property, the issuance of bonds or debentures or the mortgage of any of its property without the prior affirmative vote or written consent of members holding a majority of the votes of the entire membership.

The Association shall have no power to levy assessments on any property other than Lots.

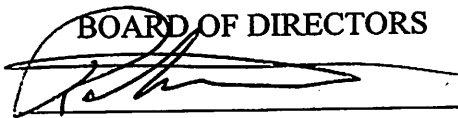
Section 9.7 Nonprofit Corporation. This Association is organized as a nonprofit corporation pursuant to RNCA. The term "distribution" means the payment of a dividend or any part of the income or profit of the Association to its members, Directors or officers. The Association shall not make any distribution except as follows: (i) to pay compensation in a reasonable amount to its members, Directors or officers for services rendered; (ii) to confer benefits upon its members in conformity with its purposes; and (iii) to make distributions upon dissolution in compliance with applicable law.

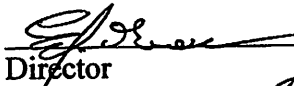
ARTICLE X

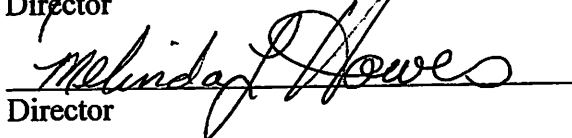
AMENDMENTS

Section 10.1 Amendments. The Board of Directors shall have the power, to the maximum extent permitted by the Act, to make, amend and repeal the Bylaws of the Association at any regular or special meeting of the Board unless the members, in making, amending or repealing a particular bylaw, expressly provide that the Directors may not amend or repeal such bylaw. In the case of a special meeting of the Board, notice of intention to make, alter, amend or repeal such Bylaws, in whole or in part, or to adopt new Bylaws, shall be given in the notice calling such meeting; provided, however, that notice is not required if all Directors unanimously vote for such change. The members shall also have the power to amend the Bylaws, to the extent and in the manner provided in the RNCA.

APPROVED AND ADOPTED by the Board of Directors on the 29 day
of November, 2007.

BOARD OF DIRECTORS


Director


Director


Director