



BYLAWS OF HAY CREEK PRESERVE HOMEOWNERS ASSOCIATION, INC.

SECTION 1 GENERAL

1.1 Introduction. The following are the Bylaws of Hay Creek Preserve Homeowners Association, Inc. (the "Bylaws"). These Bylaws are adopted for the regulation, management, and governance of the affairs of Hay Creek Preserve Homeowners Association, Inc. (the "Association"). The Association was organized as a nonprofit corporation under Colorado law for the purpose of operating and managing Hay Creek Preserve (the "Community"), a common interest community in El Paso County, Colorado. The capitalized terms used in these Bylaws shall have the same meaning as they have in the Association's Declaration of Covenants, Conditions, and Restrictions for Hay Creek Preserve (the "Declaration") and the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101 et seq. (the "Act"), unless otherwise defined herein.

1.2 Purposes. The purposes for which the Association is formed are:

- (a) to protect the value and desirability of the Community and the Lots;
- (b) to further the interests of the residents of the Community and Members of the Association;
- (c) to be the owners association provided for in the Declaration;
- (d) to operate and govern the Community;
- (e) to provide for the administration, maintenance, preservation, and architectural review of the Lots and Common Elements within the Community; and
- (f) to promote the health, safety, welfare and recreation of the Members within the Community.

SECTION 2 MEMBERSHIP

2.1 Members Defined. All Persons defined as Owners in the Declaration shall be Members of the Association. No Person shall be a Member solely by virtue of holding a security interest in a Lot. A Person shall cease to be a Member at such time as that Person is no longer an Owner.

2.2 Registration of Members and Occupants. Each Member shall register with the Secretary of the Association, in writing, within thirty (30) days after taking title to a Lot, (i) the name and address of the Member(s) and any Occupants of the Lot; (ii) the nature of such Member's interest or estate in each Lot owned; (iii) the mailing address (if other than the Lot address) at which the Member desires to receive notices from the Association, including any

notice of meetings of the Members; (iv) the email address, if any, at which the Member would like to receive notices from the Association; (v) the name and address of the secured party holding the first mortgage on the Lot, if any; and (vi) if there are multiple Owners of the Lot, the name of the Owner who shall be authorized to cast the Lot's allocated vote(s). Members shall have a continuing obligation to advise the Association in writing of any changes in the foregoing information.

2.3 Transfers. The interests, rights, and obligations of a Member of the Association may be assigned, pledged, encumbered, or transferred, but only along with and as a part of the title to the Member's Lot or as otherwise specifically authorized by the Governing Documents or by law.

SECTION 3 MEETING OF MEMBERS

3.1 Place and Manner of Meetings. Meetings of the Members may be held either (a) in person at a location in the State of Colorado reasonably accessible to the Members and/or (b) by one or more means of remote communication, as may be designated by the Board in any notice of a meeting of the Members.

3.2 Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association and each subsequent annual meeting of the Members shall be held in each fiscal year on a date and time, as designated by the Board. At each annual meeting of the Members, (i) the Persons who are to constitute the Board shall be elected pursuant to Section 5, (ii) a report shall be made to the Members on the activities and financial condition of the Association, and (iii) any other matter which is included in the notice of the annual meeting, and is a proper subject for discussion or decision by the Members, shall be considered and acted upon. Failure to hold an annual meeting shall not be considered a forfeiture or dissolution of the Association.

3.3 Special Meetings. Special meetings of the Members may be called by the President, by a majority of the Board, or by the President or Secretary upon receipt of a petition signed by Members holding at least twenty percent (20%) of the votes in the Association. The petition shall state the purpose of the meeting and said purpose must be lawful and consistent with the Association's and, if applicable, Members' purposes and authority under the Governing Documents. If notice for a special meeting demanded pursuant to petition is not given by the President or Secretary within thirty (30) days of the Association's receipt of the petition, the person(s) signing the demand or demands may set the time and place of the meeting and give notice pursuant to the terms of these Bylaws. Any meeting called under this Section shall be conducted by the President or, in their absence, by a person chosen by a majority of the Board.

3.4 Notice of Meetings. Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the Members, the Secretary shall cause notice to be hand delivered or sent prepaid by U.S. mail to the mailing address of each Lot or to any other mailing address designated in writing by the Member pursuant to Section 2.2. If such electronic means are

available, the notice shall also be sent via email to all Members who so request and who furnish the Association with their email address. The notice shall be physically posted in a conspicuous place to the extent such posting is feasible and practicable and shall be posted to the Association's website, if available. 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, and any proposal to remove a Director or officer. No matters shall be heard nor action adopted at a special meeting except as stated or allowed in the notice.

3.5 Quorum/Adjournment. The presence of Members, in person or by proxy, holding twenty-five percent (25%) of the votes entitled to be cast shall constitute a quorum for the transaction of any business, except that of adjourning the meeting to reconvene at a subsequent time. Any meeting may be adjourned from time to time to a different date, time or place and notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment. If a quorum is present at the reconvened meeting, any business may be transacted which might have been transacted at the meeting as initially called had a quorum then been present. The quorum, having once been established at a meeting or a reconvened meeting, shall continue to exist for that meeting notwithstanding the departure of any Member previously in attendance, in person or by proxy. The Association may not be counted in determining a quorum as to any Lot owned by the Association.

3.6 Voting Register. The Secretary shall have available at the meeting a list of the Lot numbers, the names of Members, the vote(s) attributable to each Lot, and the name of the Person (in case of multiple Owners) authorized to cast the Lot's vote.

3.7 Agenda. The agenda for meetings of the Members shall be established by the Board, consistent with the Governing Documents, and shall be sent to all Members along with the notice of the meeting.

SECTION 4 VOTING

4.1 Entitlement. Voting rights shall be allocated to each Lot as set forth in the Declaration. However, no vote shall be exercised as to a Lot while the Lot is owned by the Association.

4.2 Authority to Cast Vote. At any meeting of the Members, a Member included on the voting register presented by the Secretary in accordance with Section 3.6, or the holder of such Member's proxy, shall be entitled to cast the vote which is allocated to the Lot owned by the Member. If there is more than one Owner of a Lot, only one of the Owners may cast the Lot's vote. If more than one Owner of a Lot is present at the meeting and the Owners fail to agree as to who shall cast the vote and have failed to register pursuant to Section 2.2, the vote shall not be cast.

4.3 Suspension of Voting Rights and Use Rights. During any period in which a Member shall be in default in the payment of any Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association, the Member's voting rights and use rights to recreational facilities in the Community shall be deemed suspended by the Board, without notice or hearing, until the Assessment has been paid. Voting rights and use rights of a Member may also be suspended for violation of any other provision of the Governing Documents until the violation is cured or, if the violation is not a continuing violation, for a period not to exceed sixty (60) days.

4.4 Voting by Proxy. A Member may cast the vote which is allocated to the Member's Lot and be counted as present at any meeting of the Members by executing a written proxy naming another Person entitled to act on that Member's behalf and delivering the same to the Board, the Association's management company, or any other agent as designated by the Board at a time and place specified by the Board for any such meeting. All proxies must be dated, cannot purport to be revocable without notice, and shall remain in effect until the earliest of the following events: (i) revocation by the granting Member by written notice or by personally attending and voting at the meeting for which the proxy is effective; (ii) eleven (11) months after the date of the proxy, unless otherwise provided in the proxy; or (iii) the time at which the granting Member is no longer a Member. Proxies obtained through fraud or misrepresentation are invalid as determined in the sole discretion of the Secretary.

4.5 Order of Business. The Board may establish the order of business for all meetings of the Members or of the Board. Failure to strictly follow Robert's Rules of Order shall not invalidate any action taken at a meeting of the Members or of the Board.

4.6 Waiver of Objection of Notice. A Member's attendance at a meeting waives the Member's objection to lack of notice or defective notice of the meeting unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting because of lack or notice or defective notice. Further, a Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

4.7 Voting Procedures/Secret Ballots.

(a) Secret ballots must be used in contested Director elections and in any other matter as required by law.

(b) All other voting may be by voice, show of hands, consent, mail, electronic means, proxy, written ballot, or as otherwise determined by the Board prior to the meeting or by a majority of Members present at a meeting.

4.8 Vote Required. In an election of Directors, the Members receiving the largest number of votes shall be elected. On all other items, the affirmative vote of a majority (i.e. in excess of 50%) of the votes cast by Members present, in person or by proxy, and voting at

any properly constituted meeting of the Members shall be required for decisions and action by the Association, except where a different vote is specifically required by the Governing Documents or the Act. Cumulative voting shall not be permitted.

4.9 Counting of Ballots. All ballots shall be counted by a neutral third party, or a committee of volunteers who are not Directors and not candidates in a contested election, selected or appointed at an open meeting in a fair manner by the President or person presiding at such meeting or as otherwise required by law and as may be further defined by policy or procedures of the Association.

4.10 Voting by Mail or Electronic Means. In lieu of holding a meeting of Members, a vote on any issue or issues may be taken by mail or electronic means. An action shall be approved by mail or electronic means when the number of votes cast equals or exceeds the quorum required to be present at a Member meeting authorizing the action and the approvals equal or exceed the number of votes that would be required to approve the matter at a meeting at which the number of votes cast were the same as those cast by mail and/or electronic means. Action taken under this Section has the same effect as action taken at a meeting of the Members. A vote made by mail or electronic means may not be revoked.

(a) In case of a vote by mail or electronic means in lieu of a meeting, the Secretary shall deliver written notice to all Members entitled to vote on a matter by U.S. mail at each Member's address as it appears in the records of the Association given for notice purposes, by electronic means, or by a combination of the two. The notice shall include: (i) a statement of the proposed action, (ii) an opportunity to vote for or against such proposal, (iii) identification of the number of responses needed to meet quorum requirements, (iv) identification of the percentage of approvals necessary to approve each matter other than the election of Directors, (v) the time by which a vote must be received by the Association in order to be counted, and (vi) written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(b) The Association may conduct elections of Directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; provided however that any procedures adopted shall provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Association for a vacant position, subject to the nominated Member's consent.

4.11 Acceptance or Rejection of Individual Votes and Proxies. The Association has the right to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation when it has a reasonable, good faith basis to doubt the validity of the signature or the signatory's authority to sign for the Member. The Association and its officer or agent who accepts or rejects any of the above in good faith is not liable for any damages that may result from the acceptance or rejection. Unless a court decides otherwise, any action taken on the acceptance or rejection of any of the above will be deemed valid.

SECTION 5
BOARD OF DIRECTORS

5.1 Number. The affairs of the Association shall be governed by a Board of Directors consisting of three (3) Directors. The initial Board of Directors shall be appointed by the Declarant. Except for Directors appointed by the Declarant, all Directors shall be Members as defined in the Declaration. which shall consist of three (3) Directors, all of whom shall be Members. Notwithstanding any contrary provision of these Bylaws or the Association's Articles of Incorporation, the Declarant may appoint or remove any Director or any officer of the Association as provided in the Declaration. Following the termination of the Declarant Control Period, the Members shall elect the Board as provided in the Association's Governing Documents. In cases where, through removal or resignation, the total number of Directors is less than three (3), the Board will be considered properly constituted until such vacancies are filled.

5.2 The qualifications to serve as a Director are as follows:

- a. Only one Owner per Lot may be elected to, or appointed to fill a vacancy on, the Board.
- b. If any Lot is owned by a partnership, corporation or trust, any officer, partner or trustee of that entity shall be eligible to serve as a Director and shall be deemed to be a Member for the purposes of these Bylaws.
- c. Any Director who is more than sixty (60) days delinquent in payment of any Assessment shall not be qualified to serve on the Board.
- d. Any Director who has unexcused absences from three (3) consecutive Board meetings shall not be qualified to serve on the Board.
- e. Any Director who is in violation of any provision of the Association Documents for more than thirty (30) days shall not be qualified to serve on the Board.
- f. Any Director who maintains a legal or administrative proceeding of any type against the Association shall not be qualified to serve on the Board.
- g. Any Director who fails, within thirty (30) days of their election or appointment to the Board or within thirty (30) days of the Association's adoption of a new code of conduct, to sign or, as determined by the Board, abide by a properly-adopted code of conduct for Directors.

If a Director is not qualified to serve on the Board, the position shall be deemed vacant.

5.3 Term of Office. The initial Board of Directors shall serve and shall continue in office until their successors are duly elected and installed after the first annual meeting

following the termination of the Declarant Control Period or after a special meeting called for the purpose of electing Directors. At such meeting, the Members shall elect one of the Directors for a one-year term, one of the Directors for a two-year term, and one of the Directors for a three-year term. At each annual meeting thereafter, the Members shall elect one Director for a term of three years. If more than one Director's term is expiring in one year, the Director who obtains the most votes shall have a three-year term, and any other Directors elected at that time shall have a term of years such that maintains staggered terms amongst the Directors. Directors' terms shall expire at the appropriate annual meeting of the Members, provided that a Director shall continue in office until their successor has been elected and held their first meeting. There is no limit to the number of terms (whether consecutive or not) that can be served by a Director.

5.4 Election. A number of qualified nominees equal to the number of vacancies, and receiving the greatest number of votes, shall be elected, notwithstanding that one or more of them does not receive a majority of the votes cast. Votes for contested positions on the Board shall be taken by secret ballot. A Director appointed or elected to fill an uncompleted term shall serve until the natural termination of that term, unless removed in accordance with these Bylaws. There shall be no cumulative voting for Directors.

5.5 Powers and Duties. The Board may act in all instances on behalf of the Association, except as provided in the governing Documents or applicable provisions of the Act. The Board shall have, subject to the limitations contained in the Declaration and applicable provisions of the Act, the powers and duties necessary for the administration of the affairs of the Association and may exercise for the Association all powers and authority vested in or delegated to the Association (and not expressly prohibited or reserved to the Members) by law or by the Governing Documents, including the following powers and duties:

a. to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Bylaws of the Association and supplements and amendments thereto;

b. to establish, adopt, and enforce compliance with such rules and regulations as may be necessary to carry out the Association's purposes and establish penalties for the infraction thereof, with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Member upon the adoption thereof;

c. to exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, necessary for the administration of the affairs of the Association and for the operation and maintenance of the Community;

- d. to incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the areas in the Community required to be maintained by the Association;
- e. to obtain and maintain all insurance required or permitted under the Declaration or otherwise deemed advisable by the Association;
- f. to declare the position of a Director to be vacant in the event that such Director is not qualified to serve on the Board pursuant to Section 5.1 of these Bylaws;
- g. as more fully set forth in the Declaration, to fix the amount of the assessments and charges against each Lot and Member, and to collect all sums owed to the Association by the rights and remedies set forth in the Governing Documents and in law;
- h. to collect delinquent assessments by suit and foreclosure or otherwise and to enjoin or seek damages from a Member as is provided in the Declaration and these Bylaws. The Board shall have the duty, rights, power and authority to suspend the voting rights and rights to use the recreational facilities in the Community of any Member in the event that the Member is in violation of the Association's Governing Documents or in default in the payment of any assessment, including interest, fines, late fees, attorney fees, and costs, levied by the Association. The suspension of the Member's voting and/or use rights will continue until the assessment is paid, until the violation, if it is continuing in nature, is cured, or, if the violation is not continuing in nature, for a period not to exceed sixty (60) days;
- i. pursuant to the authority granted by the Declaration, these Bylaws, the Act and the Colorado Revised Nonprofit Corporation Act, as amended from time to time (the "Nonprofit Act"), to borrow funds to pay for any expenditure or outlay reasonably necessary to fulfill the Association's duties under its Governing Documents, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and, Such indebtedness shall be the several obligations of all of the Members in the manner set forth in the Declaration. The persons who shall be authorized to execute promissory notes and security instruments on behalf of the Association shall be the President or Vice President and Secretary;
- j. to approve such sales of property, distribution, mergers, and dissolution as permitted by the Declaration, the Act, and the Nonprofit Act;
- k. to establish a bank account or accounts for the common treasury and for all separate funds of the Association that are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to cause an annual accounting for Association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant or a certified public accountant. All persons or managing agents shall maintain all funds and accounts of

the Association separate from the funds and accounts of other associations managed by the persons or managing agents and shall maintain all reserve accounts of the Association so managed separate from operational accounts of the Association;

l. to cause to be maintained the areas required to be maintained by the Association and to make repairs, additions, alterations and improvements to the same;

m. to meet at least annually;

n. to enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the areas for which the Association is responsible under the Declaration;

o. to employ or terminate the services of a manager or managing agent, or both, and such independent contractors or other employees as they deem necessary, and delegate any of their duties to such persons; provided, however, when so delegated, the Board shall not be relieved of its responsibilities under the Declaration, the Articles of Incorporation or these Bylaws;

p. to provide such supervision of all officers, agents, and employees of the Association as the Board deems necessary and appropriate;

q. to cause all officers and employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration and C.R.S. § 38-33.3-306(3). The premiums on such insurance or bonds shall be a Common Expense as may be deemed appropriate by the Board;

r. to issue, or to cause an appropriate officer to issue, upon demand by any Person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates; and

s. in general, to carry on the administration of this Association and to do all of those things necessary and reasonable to carry out the governance and the operation of the Community.

5.6 No Waiver. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Governing Documents shall not constitute or be deemed to be a waiver, modification or release thereof, and the Board or the managing agent shall have the right to enforce the same thereafter.

5.7 Meeting and Notices. An annual meeting of the Board at which the officers of the Association shall be elected shall be held promptly following each annual meeting of the Members.

a. Regular meetings of the Board shall be held at least on a quarterly basis, at such times as may be fixed from time to time by a majority of the Board. Notice of such meetings is not required, but a schedule, or any amended schedule, of the regular meetings may be provided to the Directors via email and to the Members via publishing on the Association's website, if available.

b. Special meetings of the Board shall be held when called (i) by the President of the Association, or (ii) by the Secretary within ten (10) days following the written request of any two (2) Directors. Notice of any special meeting shall be given to each Director not less than two (2) days in advance thereof. Notice to each Director shall be deemed to be given when deposited in the U.S. mail with postage prepaid to the Lot address of such Director or to any other mailing address provided by the Director to the Association pursuant to Section 2.2, when sent via email to an email address designated pursuant to Section 2.2, or when personally delivered, orally or in writing, by a representative of the Board. The notice shall specify the place, day, hour, and purpose of the meeting. If a notice for a special meeting demanded by any two (2) Directors is not given by the Board within thirty (30) days of the Association's receipt of such demand, the Directors signing the demand may set the time and place of the meeting and give notice pursuant to the terms of this Section 5.8(b).

c. Any Director may at any time waive notice of any meeting of the Board orally, in writing, or by attendance at the meeting, and such waiver shall be deemed equivalent to the giving of such notice. If all the Directors are present at any meeting of the Board, no notice shall be required, and any business may be transacted at such meeting.

5.8 Location of Meetings and Open Meetings. All meetings of the Board shall be open to attendance by Members as provided by applicable Colorado law. All meetings of the Board shall be held in El Paso County unless all Directors consent in writing to another location. All meetings of the Board may be conducted in person, via conference call, via electronic means, via any other method permitted by applicable Colorado law, or via any combination of the preceding methods.

a. Rules and regulations may be adopted in open meetings of the Board and may not be adopted in closed or executive sessions of the Board.

b. For any executive session or closed Board meeting, minutes kept for that part of the meeting should only indicate that an executive session was held and the general subject of the executive session.

5.9 Quorum and Voting. The presence, in person or by means of remote communication or proxy, of a majority of the Directors currently in office shall constitute a quorum for the transaction of business unless there are fewer than three (3) Directors, in which case all Directors must be present to constitute a quorum. A quorum, once established, shall continue to exist, regardless of the subsequent departure of any Directors. Each Director shall have one (1) vote. The vote of a majority of the Directors present at a meeting at which quorum is present shall constitute a decision of the Board unless there are fewer than three (3) Directors, in which case unanimity of the Directors is required to constitute a decision of the Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

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

5.11 Proxies. For purposes of determining a quorum with respect to a particular proposal and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the present Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section, Directors may not vote or otherwise act by proxy.

5.12 Action Taken Without a Meeting. The Board shall have the right to take any action, other than an action requiring approval of Members with voting rights, via written action approved or consented to in writing, including by authenticated electronic communication, by the number of Directors that would be required to take the same action at a meeting of the Board at which all Directors were present.

5.13 Members' Opportunity to be Heard. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on Persons speaking during the meeting. If more than one Person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of Persons to speak on each side of the issue.

5.14 Vacancies. A vacancy in the Board caused by any reason other than removal may be filled by appointment by a majority vote of the remaining Directors at any time after the occurrence of the vacancy, although they may constitute less than a quorum. Each Director so appointed shall serve out the remainder of the term vacated.

5.15 Resignation. Any Director may resign at any time by giving written notice to the President, Secretary or the Board stating the effective date of the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

5.16 Removal. A Director, other than a Director appointed by the Declarant, may be removed from the Board, with or without cause, by a majority vote of those present in person or by proxy at any annual or special meeting of the Members at which a quorum is present, provided (i) that the notice of the meeting at which removal is to be considered states such purpose, (ii) that the Director to be removed has a right to be heard at the meeting prior to the vote on their removal, and (iii) that a new Director is immediately elected by the Members to fill the vacant position caused by the removal. A Director appointed by the Declarant may be removed, with or without cause, by the Declarant.

5.17 Compensation. No Director shall be entitled to receive any compensation for the performance of their duties, but shall be entitled to reimbursement for reasonable and necessary expenses incurred by them for the benefit of the Association.

5.18 Fidelity Bond. Any persons or managing agent to whom powers of the Directors or officers of the Association relating to collection, deposit, transfer or disbursement of Association funds are delegated must maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars (\$50,000) or such higher amount as the Board may require. The persons or managing agent must maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the persons or managing agent and maintain all reserve accounts of each association so managed separate form operational accounts of the Association. An annual accounting for Association funds and a financial statement shall be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

5.19 Managing Agent. The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall have the authority to delegate any of the powers and duties set forth in these Bylaws to a managing agent. Regardless of any delegation to a managing agent, Directors shall not be relieved of responsibilities under the Governing Documents or Colorado law.

SECTION 6 OFFICERS

6.1 Principal Officers. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom are required to be Directors, and such other officers as the Board may from time to time create by resolution. Any two offices, except for the offices of President and Secretary and of President and Vice President, may be held by the same person.

6.2 Election. During the Declarant Control Period, the Declarant shall appoint officers. After the Period of Declarant Control, the officers of the Association shall be elected annually for one-year terms by the Board at the first meeting of the Board following each annual meeting of the Members.

6.3 Removal and Resignation. Upon an affirmative vote of a majority of the Board, any officer may be removed, with or without cause, and a successor elected, at any regular meeting of the Board, or at any special meeting of the Board called for that purpose. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. A resignation shall take effect on the date of receipt of a notice or at any later time specific herein. Acceptance of a resignation shall not be necessary to make it effective.

6.4 Duties. The duties of the officers are as follows:

a. President. The President shall preside at all meetings of the Board and of the Association, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes. The President shall have all of the powers and duties which are customarily vested in the office of president of a corporation, including without limitation the duty to supervise all other officers and to execute all contracts and similar obligations on behalf of the Association. The President, along with the Secretary, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. The President shall have such other duties as may from time to time be prescribed by the Board.

b. Vice President. The Vice President shall take the place of the President and perform the duties of the office whenever the President is absent or unable to act. The Vice President shall also perform other duties as shall from time to time be prescribed by the Board.

c. Secretary. The Secretary shall record the votes and keep the minutes of all meetings of the Board and of the Association. The Secretary shall be responsible for keeping books and records of the Association and shall give all notices required by the Governing Documents or the Act unless directed otherwise by the Board. The Secretary shall compile and keep up to date a complete list of Members and their registered mailing addresses and shall in general perform all the duties incident to the office of Secretary. The Secretary, along with the President, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association. The Board may delegate the Secretary's administrative functions to a managing agent, provided that such delegation shall not relieve the Secretary of the ultimate responsibility for the Secretary's duties.

d. Treasurer. The Treasurer shall have the responsibility for all financial assets of the Association and shall be covered by a bond or insurance in such sum and with such companies as the Board may require. The Treasurer shall be responsible for keeping full and accurate financial records and books of account of

the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association and in such depositories as may from time to time be designated by the Board and shall cause the funds of the Association to be disbursed as ordered by the Board. The Treasurer shall sign or authorize a designated agent to sign all checks and promissory notes of the Association and shall perform all other duties incident to the office of the Treasurer. The Board may delegate the Treasurer's administrative functions to a managing agent, provided that such delegation shall not relieve the Treasurer of the ultimate responsibility for the Treasurer's duties.

6.5 Compensation. Except as authorized by a vote of the Members at a meeting thereof, officers of the Association shall receive no compensation for their services in such capacity. Officers may, however, be reimbursed for out-of-pocket expenses incurred in the performance of their duties.

6.6 Delegation. The duties of any officer may be delegated to the managing agent of the Association or another Director; provided however, the officer shall not be relieved of any responsibility under this Section or under Colorado law.

SECTION 7 COMMITTEES

7.1 Designated Committees. The Association may create committees and appoint such committee members as deemed appropriate in carrying out its purposes. Committee chairpersons must meet the same qualifications to serve as Directors must meet to serve on the Board, as set forth in these Bylaws. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board. The Board shall also have the power to remove any and all committee members with or without cause and to terminate any such committee.

7.2 Open Committee Meetings. All committee meetings shall be open to attendance by Members, as provided by applicable law.

SECTION 8 BOOKS AND RECORDS

8.1 Association Records. The Association's records will be available for production to Members in accordance with statutory requirements, which may be further clarified in a policy adopted by the Board.

8.2 Minutes and Presumptions Under the Minutes. Minutes or any similar record of the meetings of Members or of the Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

SECTION 9 AMENDMENTS

9.1 During the Declarant Control Period, the Declarant may, without Member approval, amend these Bylaws as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration or the Department of Veterans Affairs so as to induce any of such organizations to make, purchase, sell, issue, or guarantee First Mortgagees in the Community, or as may be necessary to correct typographical errors or make clarifications and provided further that no amendment to these Bylaws shall be contrary to or inconsistent with the Declaration.

9.2 After the Declarant Control Period is terminated, these Bylaws may be amended by:

a. The affirmative vote of a majority of the Directors currently in office at a duly constituted meeting of the Board; provided, however, no amendment shall be made to the quorum requirement for Member meetings, to the qualifications, powers and duties, or terms of office of Directors, to fix a greater voting requirement for Members or to change the rights or conditions of a membership class as to voting, dissolution, redemption or transfer by changing the rights of another class, without a vote of the Members as set forth in subsection (b); or

b. The affirmative vote of a majority of the Members present and voting, in person or by proxy, at a regular or special meeting of the Members called for such purpose at which a quorum is present.

SECTION 10 INDEMNIFICATION

The Association shall indemnify every Director or officer and his or her heirs, executors, and administrators against all loss, costs, and expense, including counsel fees, reasonably incurred by them in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a Director or officer of the Association except as to matters in which they shall be finally adjudged in such action, suit or proceedings to be liable for gross negligence or willful misconduct. In the event any settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of their duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. All liability, loss, damage, costs, and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses. Nothing contained in this Section shall, however, be deemed to obligate the Association to indemnify any Member or Owner who is or has been a Director or officer of the Association with respect to any duties

or obligations assumed or liabilities incurred by them under and by virtue of the Declaration as a Member or Owner covered thereby.

SECTION 11 MISCELLANEOUS

11.1 Notices. Unless specifically provided otherwise in the Act, the Declaration, or these Bylaws, all notices required to be given by or to the Association, the Board, the Association officers, or the Members shall be in writing and shall be effective (i) upon hand delivery, (ii) upon being emailed to an email address received pursuant to Section 2.2, or (iii) upon mailing if properly addressed with postage prepaid and deposited in the U.S. mail; except that registrations pursuant to Section 2.2 shall be effective upon receipt by the Association.

11.2 Severability. The invalidity or unenforceability of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these Bylaws.

11.3 Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way limit or proscribe the scope of these Bylaws or the intent of any provision hereof.

11.4 Conflicts in Documents. In the event of any conflict among applicable provisions of the Act, Articles of Incorporation, Declaration, or these Bylaws, the Act shall control unless it permits the documents to control. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in case of any conflict between the Articles and Declaration, the Declaration shall control.

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

11.6 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association.

CERTIFICATION

The undersigned Secretary of the Board of Directors of Hay Creek Preserve Homeowners Association, Inc. hereby executes these Bylaws and certifies that they were properly adopted by Hay Creek Preserve Homeowners Association, Inc., a nonprofit corporation incorporated under the laws of the State of Colorado, effective as of the date hereof.

Dated: DECEMBER 20th, 2024


Secretary

APPROVED:


President

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
HAY CREEK VALLEY
(A Residential Planned Community)

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HAY CREEK VALLEY CONTAINS MANDATORY ALTERNATIVE DISPUTE RESOLUTION PROVISIONS, IN LIEU OF LITIGATION, THAT CANNOT BE AMENDED OR DELETED WITHOUT DECLARANT CONSENT

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