

**BYLAWS
OF
THE RESERVE AT CORRAL BLUFFS
PROPERTY OWNERS ASSOCIATION
A.K.A. RACB**

ARTICLE – INTRODUCTION, PRINCIPAL OFFICE AND DEFINITIONS

1.1 Introduction. These are the Bylaws of RACB PROPERTY OWNERS ASSOCIATION, a Colorado nonprofit corporation (the "Association"), which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA") and, to the extent applicable, the Colorado Common Interest Ownership Act, as amended ("CCIOA").

1.2 Definitions. All capitalized term used herein shall have the same meanings as set forth in CCIOA except that, upon the recording of that certain "Amended and Restated Declaration of Covenants, Conditions, Restrictions and Reservation for RACB in the real estate records of the Clerk and Recorder of El Paso County, Colorado ("Master Declaration"), such capitalized terms shall have the same meanings as set forth in the Master Declaration, as the same may be amended from time to time. In addition, references in these Bylaws to "other applicable Declarations" shall mean any other recorded instruments in the nature of covenants, however denominated, that imposes conditions, restrictions, obligations and/or easements upon any real property contained within the geographic area under the jurisdiction of this Association, and which have not been superseded by the Master Declaration. Other than as stated above, the words used in these Bylaws shall be given their normal, commonly understood definitions.

2 ARTICLE – MEMBERSHIP

2.1 Qualification for Membership. Ownership of a Lot is required in order to qualify for membership, in this Association. All Owners of Lots within RACB including those subject to ground leases, are members of RACB POA whether or not they are subject to the Master Declaration. Membership is more fully addressed in the Articles of Incorporation and the Master Declaration. No Owner may resign or withdraw as a Member of the Association. An Owner shall automatically be the holder of the membership appurtenant to the Lot of the Owner, and the membership shall automatically pass with fee simple title to the Lot without any formal Association action. A Declarant shall hold one membership in the Association for each Lot owned by such Declarant.

2.2 Membership Rights Not Separately Transferable. Except as otherwise provided in the Master Declaration or in any other applicable Declaration, no membership in the Association or any right arising therefrom shall be assignable or otherwise transferable separate and apart from fee simple title to a Lot. All rights, title and privileges of membership shall be subject to the terms and conditions of the Master Declaration and any other applicable Declaration, the Articles of Incorporation and Bylaws of the Association and other rules and regulations duly adopted by the Association or imposed by law.

2.3 Voting Rights. All Owners of Lots in RACB, including those subject to ground leases, are voting Members of RACB with one vote per Lot. However such Members of RACB cannot vote on matters related to the Master Declaration unless they are subject to the Master Declaration. The Executive Board will determine whether a Member is or is not subject to the Master Declaration. If one of the multiple Owners of a Lot is present at a meeting of the Members 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.

Members shall be entitled to vote only in connection with (i) the election of members of the Executive Board, (ii) such matters as may be required by the Master Declaration or any other applicable Declaration, the Articles, these Bylaws or by law to be voted upon by Members; or (iii) such other matters as may be referred to vote of Members by the Executive Board of the Association.

A Member's right to vote may be suspended by the Executive Board of the Association in accordance with the provisions of Section 7.1(d) hereof, and any other rules, regulations, policies and/or procedures adopted by the Executive Board from time to time.

2.4 Assessments. All Members of RACB benefit from the services provided by RACB and all Members are subject to and obligated to pay RACB's assessments.

3 **ARTICLE – MEETINGS OF MEMBERS**

3.1 Annual Meeting. There shall be held an annual meeting of the Members of the Association at such time, date and place during each year as shall be fixed by the Executive Board, commencing with the year 2015, for the purpose of electing members of the Executive Board and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day.

3.2 Special Meetings. Special meetings of the Members may be called at any time by the President. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Executive Board or upon written demand, stating the purpose or purposes for which it is to be held, signed by Members holding at least twenty percent (20%) of all the votes entitled pursuant to these Bylaws to be cast on any issue promised to be considered at the meeting.

3.3 Regular Meetings. In addition to annual and special meetings, regular membership meetings may be held at such time, date and place as shall be fixed by resolution of the Executive Board or in accordance with a schedule adopted by the Members at an annual meeting held in advance of the first scheduled regular meeting.

3.4 Notice of Meetings. Written notice of each annual, special or regular meeting shall be given no fewer than ten (10) days (or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days) nor more than sixty (60) days before the meeting date. All written notices shall specify the place, day and hour of the meeting. Notice of any annual or regular meeting shall include a description of any matter or mailers that must be approved by the Members or for which the Members' approval is sought as provided in C.R.S. Section 7-127-104(3)(b) (or any successor provision thereto), as amended from time to time, and shall also contain or be accompanied by a copy, summary or statement of general purpose of such matter or transaction to the extent required by CCIOA. Notice of any special meeting shall include a description of the purpose or purposes for which the meeting is called, and no business shall be transacted at a special meeting except as stated in the notice. When giving notice of any annual, regular or special meeting of Members, the notice shall include notice of any matter a Member intends to raise at the meeting if so requested by a person entitled to call a special meeting and so long as such request is in writing and received the Secretary or President of the Association at least ten (10) days before the giving of notice of the meeting.

Meetings of Members shall be held at such place within El Paso County, Colorado as may be designated in the notice of meeting.

Notice may be given in person; by telephone, telegraph, teletype, electronic transmission, or other form of wire or wireless communication; or by mail or private carrier. Notice shall be deemed effective as of the date received or, if mailed by first class mail, such notice shall be deemed effective as of the date five (5) days after the date of deposit of the notice in the United States mail, proper first class postage prepaid, addressed to the Member's address shown in the Association's current record of Members. A certificate of the Secretary of the Association that notice was fully and properly given shall be prima facie evidence thereof.

3.5 Waiver of Notice. Whenever any notice is required to be given under the provision of the Master Declaration or any other applicable Declaration, these Bylaws, the Articles, the CRNCA or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice. A Member's attendance at a meeting waives 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 of notice or defective notice. In addition, 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.

3.6 List of Members. The Association shall not be required to prepare a list of members as described in C.R.S. Section 7-127-201 in connection with the fixing of the record date for a notice of a meeting or for determining the Members entitled to take action by written ballot.

3.7 Quorum. A quorum is deemed present throughout any meeting of the Members of the Association if persons entitled to cast fifteen percent (15%) of the votes entitled to be cast on the matter are present in person or proxy at the beginning of the meeting, unless the presence of any greater number of Members is otherwise required by the Master Declaration or any other applicable Declaration or by the Articles, these Bylaws or the CRNCA. Once a member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting, and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

3.8 Manner of Acting. If a quorum exists, action on a matter other than the election of board members by a voting group is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless a greater number of affirmative votes is required by the Master Declaration or any other applicable Declaration or by the Articles, these Bylaws or the CRNCA. Notwithstanding the foregoing, the election of board members shall be controlled by the provisions of Articles 4 and 5 hereof. Voting on any question or in any election may be by voice vote unless the person presiding over the vote shall order or any Member shall demand that voting be by written ballot. Cumulative voting shall not be permitted in the election of Board members or for any other reason.

3.9 Proxies. A Member entitled to vote may vote otherwise act in person or by proxy executed by another Member of the Association who is in good standing. A Member may appoint a proxy by signing a duly authorized form of appointment, either personally or by the Member's attorney-in-fact. The form of appointment, shall be prepared, authorized and provided to the appointing Member by the Secretary of the Association, and no other form of appointment or proxy shall be valid.

A duly executed appointment of a proxy is effective against the Association only when received by the Secretary of the Association, including the receipt by the Secretary of the Association of a facsimile transmission of the same. The Association is entitled to reject a proxy appointment or proxy appointment revocation if the Secretary or other proper officer of the Association, acting in good faith, has reasonable basis to believe that the proxy is not genuine, the signature of the proxy is not valid, the signatory's authority to sign for the Member is in question, or the proxy was otherwise obtained through misrepresentation or in an unlawful, deceitful or fraudulent manner. In such case, the Secretary or such other officer who accepts or rejects a proxy appointment or proxy appointment revocation in accordance with the standards of this Section shall not be liable in damages for consequences of the acceptance or rejection. Action based on the acceptance or rejection of a proxy appointment or proxy appointment revocation under this Section is valid unless a court of competent jurisdiction determines otherwise.

An appointment is valid for eleven months from the date of execution, unless a different period is expressly provided in the appointment form, and a proxy is void if it is not dated. An appointment of a proxy may be revoked by attending any meeting and voting in person or by signing and delivering to the Secretary of the Association either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form. A proxy is void if it purports to be revocable without notice. 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 of the Association before the proxy exercises the proxy's authority under the appointment. A Member's proxy terminates automatically when such Member is no longer the Owner of the Lot to which such proxy and voting rights pertain.

Subject in applicable provisions of the CRNCA and to 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.

3.10 Action Taken Without a Meeting or by Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken at the discretion of the Executive Board without a meeting if members entitled to vote thereon agree and consent to such action in writing and the affirmative vote in favor of such action equals or exceeds the quorum required to be present at a meeting authorizing the action and the minimum number of votes that would have been necessary to take such action at a meeting. In such event, the Association shall provide notice of the action taken as provided by the CRNCA if the action taken is by less than unanimous consent, and shall otherwise comply with applicable provisions of the CRNCA relating to the taking of action without a meeting.

In addition, any action that may be taken at any annual, regular or special meeting of members may be taken at the discretion of the Executive Board by written ballot 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. In such event, the Association shall comply with applicable provisions of the CRNCA relating to action by written ballot.

3.11 Acceptance of Votes. If the name signed on a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation corresponds to the name of a Member, the Association, if acting in good faith, is entitled to accept the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation and to give it effect as the act of the Member. In addition, if the name signed on a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation does not correspond to the name of a Member, the Association, if acting in good faith, is nevertheless entitled to accept the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation and to give it effect as the act of the Member if: (i) the Member is an entity and the name signed purports to be that of an officer or agent of the entity; (ii) the name signed purports to be that of an administrator, executor, guardian, or conservator representing the Member and, if the Association requests, evidence of fiduciary status acceptable to the Association has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation; (iii) the name signed purports to be that of a receiver or trustee in bankruptcy of the Member and, if the Association requests, evidence of this status acceptable to the Association has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation; (iv) the name signed purports to be that a pledge, beneficial owner, or attorney-in-fact of the Member and, if the Association requests, evidence acceptable to the Association of the signatory's authority to sign for the Member has been presented with respect to the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation; (v) two or more persons are the Member as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-tenants or fiduciaries and the person signing appears to be acting on behalf of all the co-tenants or fiduciaries; or (vi) the acceptance of the vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation is otherwise proper under rules established by the Association that are not inconsistent with the provisions of this Section.

The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the Secretary or other proper officer of the Association, acting in good faith, has reasonable basis to believe that the document is not genuine, the signature on the document is not valid, the signatory's authority to sign for the Member is in question, or the document was otherwise obtained through misrepresentation or in an unlawful, deceitful or fraudulent manner, in which case, the Secretary or such other officer who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this Section shall not be liable in damages for the consequences of the acceptance or rejection. Corporate action based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under this Section is valid unless a court of competent jurisdiction determines otherwise.

3.12 Participation by Electronic Means. Any or all Members may participate in an annual, regular or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. Such participation shall constitute presence in person at the meeting.

4 **ARTICLE – EXECUTIVE BOARD**

4.1 Governing Body. The affairs of the Association shall be governed by Executive Board, each member of which shall have one vote.

4.2 Number of Board members: Staggered Terms. The initial Executive Board shall consist of three (3) members who, during the period of Period of Declarant Control (as defined in the Master Declaration), are to be appointed by, and serve at the pleasure of, Development Corporation, its successors and assigns. The number of members of the Executive Board may be changed by a duly adopted amendment to these Bylaws to nine (9), twelve (12) or fifteen (15) board members. In no event may the number of members of the Executive Board be less than three (3) or more than fifteen (15). In the event the Executive Board is so expanded, one-third of the board members shall be elected/appointed for an initial term of one year, one-third of the board members shall be elected/appointed for an initial term of two years, and one-third of the board members shall be elected/appointed for an initial term of three years. Thereafter, at each annual meeting of Members, a number of board

members equal to the number whose term expires at the time of such meeting shall be elected/appointed to hold office for a term of three (3) years, expiring upon the third succeeding annual meeting after their election, or at such later time as their successors shall have been duly elected/appointed and qualified, or upon their earlier death or resignation.

At all times during the Period of Declarant Control (as defined in the Master Declaration), CRs Development Corporation, its successors and assigns, shall be entitled to appoint and/or remove no less than two-thirds (2/3rds) of the members of the Executive Board who shall at all times serve at the pleasure of the appointing authority.

In no event shall more than two members of the Executive Board at any time be members of the same sub-association operating within RACB. And in no event shall more than three members of the Executive Board at any time be members from any of the sub-associations operating within RACB.

In the case of any increase in the number of board members, the additional board members shall be designated as equally as possible so that all groups of board members, if any, shall be increased equally as nearly as may be possible, and the additional board members shall be elected/appointed as may be provided in these Bylaws. In the case of any decrease in the number of board members of the Association, all groups of board members, if any, shall be decreased equally, as nearly as may be possible. No decrease in the number of board members shall have the effect of shortening the term of any incumbent board member.

4.3 Qualifications. Board members shall be natural persons at least eighteen (18 years of age, but need not be residents of the State of Colorado. Elected board members (as opposed board members appointed by the Development Corporation) must be persons owning a Lot in RACB. ("Persons" for the purposes of this paragraph shall include, in the case of Declarant or other Owners who may be legal entities, the officers, directors, employees, managers or partners of such Owners).

4.4 Term of Office. Beginning with the annual meeting of the Members of the Association occurring the year 2015 (or such earlier date that the matter shall be referred by the board members to the Members of the Association), and at each annual meeting thereafter, the Members shall elect board members to fill the vacancies of board members whose terms have expired, and such board members shall serve until their successors shall have been elected or appointed, and qualified, or until their earlier death, resignation or removal as hereinafter provided or as provided by the CRNCA.

The board members may elect a Chairman of the Executive Board from among the board members, who shall preside at all meetings of the Members of the Association and of the Executive Board and who shall have such other powers and duties as may be prescribed from time to time by the Executive Board.

4.5 Resignations. Any board member may resign at any time by giving written notice of such resignation to the Association. A resignation shall take effect upon receipt thereof by the Association, unless a later effective date is specified in such notice. The acceptance of such resignation shall not be necessary to make it effective. In the event, any board member, after thirty (30) days written notice, remains delinquent in payment of dues or otherwise fails to comply with any requirement imposed by the Master Declaration or any other Declaration, these Bylaws, the Association's Articles of Incorporation or any rule or regulation duly promulgated, by the Association or any committee thereof, such board member shall be deemed to have resigned from office if such failure is confirmed by an affirmative vote of the Executive Board, in which case resignation shall be deemed effective as of the time of such vote of the Executive Board.

4.6 Removal. The entire Executive Board or any single or lesser Hof board members may be removed, with or without cause, by a two-thirds vote of Members at a special meeting called for such purpose; provided, however, any appointed member of the Executive Board may be removed at any time, with or without cause, only by written notice from the appointing authority, and in no event shall any appointed member of the Executive Board be removed without written concurrence of the appointing authority. Removal shall be deemed effective upon receipt of written notice by the addressee if hand delivered or, if delivered by United States mail, private carrier, telegraph, teletype, e-mail, electronic transmission, or other form of wire or wireless communication (where such notice is properly posted, prepaid, or transmitted and addressed to the address of the addressee shown in the Association's most current records), notice shall be deemed effective as of the date of deposit in the United States Mail or with private carrier or the date of transmission. A certificate of the Secretary of the Association that notice was fully and properly given shall be prima facie evidence thereof.

4.7 Compensation. No board member shall receive compensation for his services as a board member. However, a board member may be reimbursed for his actual expenses incurred in the performance of his duties as a board member. A board

member may be an employee of the Association, or may perform other services for the Association, but he shall receive only fair and reasonable compensation as an employee or for such services.

4.8 Vacancies. In the event a vacancy shall occur or be created on the Executive Board as a result of the death, resignation or removal of a board member, or due to any increase in the number of board members, a successor or new board member shall be appointed by the remaining members of the Executive Board (unless such vacancy is created due to an increase in the number of board members and the increase is to take effect as of the date of the annual meeting of Members, in which case the new board member shall be elected by the Members); provided, however, any vacancy occurring as a result of the death, resignation or removal of an appointed board member shall be filled by the appointing authority. Any board member appointed to fill a vacancy shall serve for the unexpired term of his predecessor, if any, or until his or her successor shall have been elected or appointed, and qualified, or until his or her earlier death, resignation or removal as hereinafter provided or as provided by the CRNCA. If the board members remaining in office constitute fewer than a quorum of the Executive Board, they may fill the vacancy by the affirmative vote of a majority of all the board members remaining in office. A vacancy that will occur at a specific later date, by reason of a resignation effective at a later date, may be filled before the vacancy occurs but the new board member may not take office until the vacancy occurs.

5 **ARTICLE — NOMINATION AND ELECTION OF BOARD MEMBERS**

5.1 Nomination. The Executive Board shall establish a Nominating Committee consisting of a Chairman, who shall be a member of the Executive Board, and any two (2) or more Members of the Association. The Nominating Committee shall make as many nominations of candidates for election (but not appointment) to the Executive Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled at any election. The Nominating Committee shall not nominate Members whom if elected would result in more than one Member from any one sub-association being on the Executive Board. Nominations may also be made by Members from the floor at the annual meeting of Members which may result in a second Member from one sub-association being elected to the Executive Board. All nominees shall have a reasonable opportunity to communicate their qualifications to the Members and solicit votes at the meeting of Members held for such purpose. In any event, all nominees shall meet the qualifications specified herein with respect to members of the Executive Board.

5.2 Election. The number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Board members may be elected to serve any number of consecutive terms.

6 **ARTICLE—MEETINGS OF EXECUTIVE BOARD**

6.1 Annual Meeting. An annual meeting of the Executive Board shall be held, without other notice than this bylaw, immediately following, and at the same place as, the annual meeting of Members.

6.2 Regular Meetings. The Executive Board may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meetings without other notice than such resolution.

6.3 Special Meetings. Special meetings of the Executive Board may be called by the President and it shall be the duty of the President to call a special meeting of the Executive Board at the request of two-thirds (2/3rds) of the board members then in office. The President may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Executive Board called by them.

6.4 Notice of Special Meetings. Notice of the date, time and place of any special meeting of the Executive Board shall be given at least two (2) days prior to the meeting. Neither the business to be transacted at, nor the purpose of, any special meeting of the Executive Board need be specified in the notice or waiver of notice of such meeting unless otherwise required by the Master Declaration or any other applicable Declaration or by the Articles, these Bylaws or the CRNCA. Notice may be given in person, by telephone, telegraph, teletype, electronic transmission, or other form of wire or wireless communication; or by mail or private carrier. Oral notice shall be effective when communicated if communicated in a comprehensible manner. Written notice shall be deemed effective as of the date received or, if mailed by first class mail, such notice shall be deemed effective as of the date three (3) days after the date of deposit of the notice in the United States mail, proper first class postage prepaid, addressed to the board member's address on record with the Association. A certificate of the Secretary of the Association that notice was fully and properly given shall be prima facie evidence thereof.

6.5 Waiver of Notice. A board member may waive notice of any meeting before or after the time and date of the meeting. The waiver shall be in writing and signed by the board member entitled to the notice, except that a board member's attendance at or participation in a meeting waives any required notice to that board member of the meeting unless, at the beginning of the meeting or promptly upon the board member's later arrival, the board member 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 or, if special notice was required by the CRNCA, the board member objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose. If all the members of the Executive Board are present at any meeting (participating in such meeting through any means authorized by these Bylaws), no notice shall be required, and any business may be transacted at such meeting.

6.6 Quorum. The presence in person or by proxy of a majority of the number of board members in office immediately before a meeting begins shall constitute a quorum of the Executive Board for all meetings and consents unless the presence of any greater number of board members is otherwise required by the Master Declaration or any other applicable Declaration or by the Articles, these Bylaws or the CRNCA. For purposes of this Section, the term "present" shall include attendance in person, by proxy (to the fullest extent provided by the CRNCA), via telephonic or other electronic means, via "real time" e-mail or, in the case of written consents, by providing written response on or before the date responses are due as set forth in the written consent. Once a board member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the board member is deemed present for quorum purposes for the remainder of the meeting, and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

6.7 Manner of Acting. The affirmative vote of a majority of the board members present at a meeting at which a quorum is present shall be the act of the Executive Board unless the vote of greater number of board members is required by the Master Declaration or any other applicable Declaration or by the Articles, these Bylaws or the CRNCA. A board member who is present at a meeting of the Executive Board when corporate action is taken is deemed to have assented to all action taken at the meeting unless (i) the board member objects at the beginning of the meeting, or promptly upon the board member's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken. at the meeting, (ii) the board member contemporaneously requests that the board member's dissent or abstention as to any specific action taken be entered in the minutes of the meeting or (iii) the board member causes written notice of the board member's dissent or abstention as to any species action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this Section as to a specific action is not available to a board member who votes in favor of the action taken.

6.8 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 board member may be deemed to be present at a meeting and to vote by proxy through another board member who is present at the meeting in accordance with, and to the fullest extent provided by, the CRNCA. Except as provided in this Section and as permitted with respect to actions of the Executive Board without a meeting, board members may not vote or otherwise act by proxy.

6.9 Action taken Without a Meeting. Any action required or permitted to be taken at a meeting of the Executive Board or any committee thereof may be taken without a meeting if each and every member of the Executive Board or committee 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. In any event, action is taken under this Section only if the affirmative vote 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 board members or committee members then in office were present and voted. Action taken pursuant to this Section has the same effect as action taken at a meeting of board members or committee members and may be described as such in any document.

No action taken pursuant to this Section shall be effective unless writings describing the action taken and otherwise satisfying the foregoing requirements, signed by the board members or committee members and not revoked as hereinafter provided, are received by the Association. Any such writing may be received by the Association 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 on the document. A board member's or committee member's right to demand that action not be taken without a meeting shall be deemed to have been waived if the Association receives a writing satisfying the foregoing requirements that has been signed by the board member or committee member and not revoked as hereinafter

provided. Action taken pursuant to this Section shall be effective when the last writing necessary to effect the action is received by the Association unless the writings describing the action taken set forth a different effective date.

Any board member or committee member who has signed a writing pursuant to this Section may revoke such writing by a writing signed and dated by him or her describing the action and stating that his or her prior vote with respect thereto is revoked, if such writing is received by the Association before the last writing necessary to effect the action is received by the Association.

All signed written instruments necessary for any action taken pursuant to this Section shall be filed with the minutes of the meetings of the Executive Board.

6.10 Participation by Electronic Means. Any or all members of the Executive Board or any committee designated by the Executive Board may attend and participate in a meeting of the Executive Board or such committee by, or the meeting may be conducted through the use of (i) any means of communication by which all persons participating in the meeting may be heard by the other participants and may hear the deliberations of the other participants, or (ii) "real time" e-mail communication when all board members or committee members are participating in this form of communication. Such participation shall constitute presence in person at the meeting.

7 ARTICLE—POWERS AND DUTIES OF THE EXECUTIVE BOARD

7.1 Powers and Duties. The Executive Board shall serve as the executive board of the Association and is authorized and empowered, and shall have the duty, to manage all business and affairs of the Association and, except as provided in the Master Declaration or in any other applicable Declaration or in the Articles, these Bylaws or by the CRNCA, the Executive Board may and shall act in all instances on behalf of the Association. The Executive Board shall have all of the powers necessary to perform the duties of the Association as provided by law and under the terms and conditions of the Master Declaration and any other applicable Declaration, the Articles and these Bylaws, subject only to approval by the Members of the Association when such is specifically required. Notwithstanding the foregoing, the Executive Board may not act on behalf of the Association to amend the Master Declaration or any other applicable Declaration, to elect members of the Executive Board (other than appointing a board member in the event of a vacancy) or to determine the qualifications, powers, duties or terms of office of board members. The powers and duties of the Executive Board shall include, by way illustration and not limitation, the power and duty to:

- a. adopt and amend the Association's Bylaws and/or Rules and Regulations;
- b. adopt and amend budgets for revenues, expenditures, and reserves;
- c. collect Assessments from Owner;
- d. suspend the voting interest allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period during which such Owner is in default in the payment of any assessment, or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Master Declaration or any other applicable Declaration, Articles of Incorporation, Bylaws or Rules and Regulations;
- e. hire and discharge managing agents;
- f. hire and discharge employees, independent contractors and agents other than managing agent;
- g. institute, defend or intervene in litigation or administrative proceedings, or seek injunctive relief for violations of, the Association's Governing Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting any Lots or properties under the jurisdiction of the Association;
- h. make contracts and incur liabilities;
- i. regulate the use, maintenance, repair, replacement and modification of all property under the jurisdiction of the Association;

- j. cause additional improvements to be made as a part of the Common Elements;
- k. acquire, hold, encumber and convey, in the Association's name, any, right, title or interest to real estate or personal property but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of CCIOA;
- l. grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements;
- m. impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements;
- n. Establish from time to time, and thereafter impose charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the Governing Documents of the Association;
- o. impose a reasonable charge for the preparation and recording of amendments to the Master Declaration, any other Declaration or statements of unpaid assessment;
- p. provide for the indemnification of the Association's officers and the Executive Board to the extent provided by law and maintain directors' and officers' liability insurance;
- q. declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from three (3) regular meetings of the Executive Board during any one year period;
- r. appoint any committee as required or permitted by the Master Declaration, any other applicable Declaration or these Bylaw or as may be deemed appropriate by the Executive Board to carry out its purposes and duties, and by resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee (such delegation of authority shall not relieve the Executive Board of the ultimate responsibility for management of the affairs of the Association);
- s. by resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by CCIOA to be "otherwise set forth in the Bylaws" (such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws);
- t. exercise any other powers conferred by the Master Declaration or any other applicable Declaration, the Articles of Incorporation, Bylaws, CCIOA and the CRNCA;
- u. exercise any other power necessary and proper for the governance and operation of the Association;
- v. exercise any other power that may be exercised in the state by a legal entity of the same type as the Association; and
- w. employ a manager at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board; provided, however:
 - (i) the Executive Board may delegate to the manager only the powers granted to the Executive Board by these Bylaws under this Section, subparagraphs (c), (f), (g), (h), (i) and (j);
 - (ii) licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget; and
 - (iii) the Executive Board shall comply with the provisions of C.R.S. § 38-33.3-306, specifically: (aa) that the manager shall maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Executive Board may require; (bb) that the manager shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations and maintain all reserve accounts of the Association

separate from operational accounts of the Association; and (cc) that an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant, in the discretion of the Executive Board.

7.2 Abatement and Enjoinment of Violations by Owners. The violation of any of the Rules and Regulations adopted by the Executive Board or the breach of any provisions of the Governing Documents shall give the Executive Board the right, in addition to any other rights set forth in the Governing Documents, after notice and an opportunity to be heard (except in case of an emergency when no notice is required) to:

a. enter the Lot or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Documents (the Executive Board shall not be deemed liable for any manner of trespass by this action); or

b. enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

7.3 Fines for Violation. The Executive Board may adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules and Regulations or of the Master Declaration or any other applicable Declaration. Fines will be levied after notice thereof and an opportunity to be heard. The Executive Board may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each such violation, including those violations which persist after notice and an opportunity for a hearing is given.

7.4 Delegation Committees. The Executive Board may delegate any of its powers or duties, and/or any of the powers or duties of the Association, to a managing agent or agents; provided, however, such delegation shall in no way relieve the Association or the Executive Board of any of its responsibilities under the Master Declaration or any other applicable Declaration, the Articles of Incorporation, these Bylaws or otherwise imposed by law. In addition, the Executive Board, by resolution adopted by a majority of the board members in office, may create one or more committees of the Executive Board and appoint one or more board members to serve on them. Each such committee shall, to the extent provided in the authorizing resolution or in the Association's Articles of Incorporation or in these Bylaws, have all the authority of the Executive Board, except that no such committee shall have the authority of the Executive Board to: (i) authorize distributions; (ii) approve or propose to Members action which is required by the CRNCA to be approved by Members; (iii) elect, appoint or remove any member of any such committee or any officer or board member of the Association; (iv) amend or restate the Articles of Incorporation of the Association; (v) adopt, amend or repeal these Bylaws; (vi) approve a plan of merger or consolidation not requiring Member approval; (vii) approve a sale, lease, exchange, mortgage or other disposition or encumbrance of all, or substantially all, of its property, with or without goodwill, otherwise than in the usual and regular course of business subject to approval by Members; (viii) authorize the voluntary dissolution of the Association or revoke proceedings therefore; or (ix) amend, alter or repeal any resolution of the Executive Board which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Executive Board of any individual board member of any responsibility imposed upon him by law.

7.5 Performance of Duties. A board member of the Association shall perform his duties as a board member, including his duties as a member of any committee of the Executive Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a board member shall be entitled to rely on information, opinions, reports, or statements, including financial statements and the financial data, in each case prepared or presented by persons and groups listed in subparagraphs a., b., and c. of this Section, below; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. Except as otherwise provided by the CRNCA (such as in connection with unlawful loans or distributions), a board member is not liable as such to the Association or its members for any action taken or omitted to be taken as a board member if, in connection with such action or omission, the board member performed the duties of the position in compliance with this Section.

Those persons and groups on whose information, opinions, reports, and statements a board member is entitled to rely are:

- a. One or more officers or employees of the Association whom the board member reasonably believes to be reliable and competent in the matters presented;
- b. legal counsel, public accountants, or other persons as to matters which the board member reasonably believes to be within such persons' professional or expert competence; or
- c. a committee of the Executive Board upon which he does not serve, duly designated in accordance with the provision of the Articles of Incorporation or these Bylaws, as to matters within its designated authority, which committee the board member reasonably believes to merit confidence.

An appointed member of the Executive Board shall not be deemed per se to have a conflict of interest with respect to any matter simply because such matter involves or may involve his or her appointing authority.

8 ARTICLE — OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of the Association shall be a President, a Secretary and a Treasurer, who shall at all times be members of the Executive Board. An officer shall be a natural person who is eighteen (18) years of age or older. The same individual may simultaneously hold more than one office in the Association.

8.2 Election of Officers. The election of officers shall take place at the first meeting of the Executive Board following each annual meeting of the Members.

8.3 Term. The officers of the Association shall be elected annually by the Executive Board and each shall hold office for a term of one (1) year, unless he or she shall sooner resign, or shall be removed, or shall be otherwise unable or unqualified to serve.

8.4 Special Appointments. The Executive Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Executive Board may, from time to time, determine.

8.5 Resignation and Removal. Any officer may resign at any time by giving written notice of such resignation to the Association. A resignation shall take effect upon receipt thereof by the Association, unless a later effective date is specified in such notice. The acceptance of such resignation shall not be necessary to make it effective. If a resignation is made effective at a later date, the Executive Board may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Executive Board may remove the officer at any time before the effective date and may fill the resulting vacancy.

Any officer may be removed from office with or without cause by the Executive Board whenever in its judgment the best interests of the Association will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

8.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Executive Board for the unexpired portion of the term.

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

PRESIDENT. The President shall be the chief executive officer of the Association and, subject to the control of the Executive Board, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, and in the absence of a Chairman of the Executive Board, preside at all meetings of the Members and of the Executive Board. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Executive Board, amendments to any declaration, deeds, mortgages, bonds, contracts, or other instruments which the Executive Board has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Executive Board or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed

or executed. The President shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the Executive Board from time to time.

VICE PRESIDENTS. If appointed by the Executive Board, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their appointment, or in the absence of any designation, then in the order of their appointment) shall, in the absence of the President or in the event of his death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, such documents or instruments which the Executive Board has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Executive Board or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. A Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Executive Board.

SECRETARY. The Secretary shall: (i) keep the minutes of the proceedings of the Members and of the Executive Board in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (iv) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (v) sign, with the President or any other proper officer of the Association thereunto authorized by the Executive Board, amendments to any declaration and such other documents and instruments which the Executive Board has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Executive Board or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and (vi) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Executive Board.

TREASURER. The Treasurer shall: (i) have charge and custody of and be responsible for, all moneys of the Association; (ii) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (iii) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Executive Board.

ASSISTANT SECRETARIES, ASSISTANT TREASURERS AND OTHER OFFICERS OR APPOINTEES. If appointed by the Executive Board the Assistant Secretaries, Assistant Treasurers and other appointees of the Executive Board of the Association shall perform such duties as shall be assigned to them by the Executive Board.

8.8 No Delegation of Duties. Except as otherwise provided herein or as expressly authorized by the Executive Board, no officer may delegate any of his powers or duties to any other person.

8.9 Performance of Duties. An officer of the Association shall perform his duties as an officer in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, an officer shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs a. and b. of Section 7.3, above; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. An officer is not liable as such to the Association or its members for any action taken or omitted to be taken as an officer if, in connection with such action or omission, the officer performed the duties of the position in compliance with this Section.

8.10 Bonds of Officers. If the Executive Board shall so require, any officer or agent of the Association shall provide a bond to the Association in such amount and with such surety as the Executive Board may deem sufficient, assuring the faithful performance of their respective duties and offices.

8.11 Compensation. No officer shall receive compensation for his services as an officer. However, an officer may be reimbursed for his actual expenses incurred in the performance of his duties as an officer. An officer may be an employee of the Association, or may perform other services for the Association, but he shall receive only fair and reasonable compensation as an employee or for such services.

8.12 Execution of Instruments. Except as otherwise provided herein, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

8.13 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of CCIOA.

The amount of the fee for preparing statements of unpaid Assessments and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense Assessment against the Lot for which the certificate or statement is furnished.

9 ARTICLE—INDEMNIFICATION

9.1 Actions Other Than by, or in the Right of, the Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than ,an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Executive Board or officer of the Association, or member of the Architectural Control Committee, or member of a committee appointed by the Executive Board who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs), judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

9.2 Actions by, or in the Right of the Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Executive Board or officer of the Association, or member of the Architectural Control Committee, or member of a committee appointed by the Executive Board or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

9.3 Successful on the Merits. To the extent that a member of the Executive Board, manager, officer, project manager, employee, fiduciary or agent of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 9.1 and 9.2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

9.4 Determination Required. Any indemnification under Sections 9.1 or 9.2 of this Article (unless ordered by a court) and as distinguished from Section 9.3 of this Article, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Executive Board or officer, or member of the Architectural Control Committee, or member of a committee appointed by the Executive Board is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Sections 9.1 or 9.2, above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those members of the Executive Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Executive Board so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Executive Board shall provide a copy of its written opinion to the

officer or Executive Board member, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board seeking indemnification upon request.

9.5 Payment in Advance of Final Disposition. The Association shall pay Pox or reimburse the reasonable expenses incurred by a former or current member of the Executive Board or officer who is a party to a proceeding in advance of final disposition of the proceeding if (i) the member of the Executive Board or officer, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board furnishes to the Association a written affirmation of the Executive Board member's good faith belief that he or she has met the standard of conduct described in Sections 9.1 or 9.2 of this Article; (ii) the Executive Board member or officer, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board furnishes to the Association a written understanding, executed personally or on the Executive Board member's or officer's behalf to repay the advance if it is ultimately determined that the Executive Board member or officer, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board did not meet the standard of conduct; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required in this Section shall be an unlimited general obligation of the Executive Board but need not be accepted by the Executive Board member or officer, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board or may be accepted without reference to financial ability to make repayment.

9.6 No Limitation of Rights. The indemnification provided by this Article shall not be deemed exclusive of, nor a limitation upon, any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Executive Board, or otherwise, nor of any rights which are granted pursuant to the CRNCA and/or CCIOA,

9.7 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board or an officer of the Association, or member of the Architectural Control Committee or member of a committee appointed by the Executive Board against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article.

10 ARTICLE—NO STOCK OR DIVIDENDS

The Association shall not have or issue shares of stock, and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Members, board members or officers, except to the extent (i) the Association shall be authorized and empowered to pay reasonable compensation for services rendered and/or make payments and distributions in furtherance of its corporate purposes, or (ii) permitted by the CRNC and IRC § 528 or comparable provision of the Code.

11 ARTICLE —LOANS TO BOARD MEMBERS AND OFFICERS PROHIBITED

No loans shall be made by the Association to its board members or officers, and any board member or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until repayment thereof.

12 ARTICLE —CONTRACTS, LOANS, CHECKS AND DEPOSITS

12.1 Contracts. The Executive Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Contracts or other commitments made by the Executive Board, officer(s) or any managing agent of the Association shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

12.2 Loans. No loans or advances shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Executive Board. Such authority may be general or confined to specific instances.

12.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Executive Board.

12.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Executive Board may select.

13 ARTICLE— BOOKS AND RECORDS

13.1 Permanent Books and Records. The Association shall keep as permanent records minutes of all meetings of its Members and Executive Board, a record of all actions taken by its Members or Executive Board without a meeting, a record of all actions taken by any committee of the Executive Board in place of the Executive Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Executive Board or any committee of the Executive Board. The Association shall also maintain appropriate accounting records and it or its agent shall maintain a record of its Members in a form that permits preparation of a list of the name and address of all Members in alphabetical order, by class, showing the number of votes each member is entitled to vote. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

13.2 Books and Records to be Kept at Principal Office. Unless otherwise permitted by CCIOA, the Association shall keep a copy of each of the following records at its principal office:

- a. its Articles of Incorporation;
- b. its Bylaws;
- c. resolutions adopted by its Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members;
- d. the minutes of all Members' meetings, and records of all action taken by Members without a meeting, for the past three years;
- e. all written communications within the past three years to Members generally as Members;
- f. a list of the names and business or home addresses of its current board members and officers;
- g. a copy of its most recent corporate report delivered to the Colorado Secretary of State; and
- h. all financial statements prepared for periods ending during the last three years that a Member could have requested under CCIOA.

14 ARTICLE – INSPECTION RIGHTS

All books and records of the Association may be inspected by any Member or his agent or attorney as permitted by the CRNCA and CCIOA.

15 ARTICLE – CORPORATE SEAL

The Executive Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the state and year of incorporation and the words "CORPORATE SEAL".

16 ARTICLE – FISCAL YEAR

The fiscal year of this corporation shall begin on the first day of July and end on the 30th day of June of each year.

17 ARTICLE – INTERPRETATION IN THE EVENT OF INCONSISTENCY

Subject to any requirements of applicable law, in the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in the case of any conflict between the Master Declaration and the Articles of Incorporation or these Bylaws, the Master Declaration shall control.

18 ARTICLE – AMENDMENT

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by two-thirds vote of the members of the Executive Board of the Association then in office. In addition, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Members in the manner provided by the CRNCA; provided, however the amendment of these Bylaws by the Members shall require the affirmative vote of two-thirds of all Members of the Association as well as the approval of two-thirds of the members of the Executive Board. In any event, the provisions of these Bylaws shall at all times comply with the applicable provisions of CCIOA and other applicable laws of the State of Colorado.

CERTIFICATION:

We, the undersigned, do hereby certify that we are the duly elected and acting President and Secretary of **THE RESERVE AT CORRAL BLUFFS PROPERTY OWNERS ASSOCIATION**, a Colorado nonprofit corporation, and that the foregoing Bylaws constitute the Bylaws of said Association duly adopted by the Executive Board thereof effective _____, 20____ and supersede all prior Bylaws.

PRESIDENT: _____
Howard J. Kunstle, President

SECRETARY: _____
Robert A. Solberg, Secretary