

*Amended/Approved
4/28/09*

**BYLAWS
OF
THE HOMEOWNERS ASSOCIATION FOR THE SINGLE FAMILY RESIDENCES AT
BUCKHORN VALLEY, INC.**

1. GENERAL.

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of The Homeowners Association for the Single Family Residences at Buckhorn Valley, Inc. ("Association"). The Association has been organized as a Colorado nonprofit corporation under the Act to act as the association under the Declaration of Covenants, Conditions and Restrictions for The Single Family Residences at Buckhorn Valley ("Declaration"). The Declaration has been or will be executed by Roark Partners, LLLP, a Colorado limited liability limited partnership ("Declarant"). The Declaration relates to real property in Eagle County, Colorado, which becomes subject to the Declaration ("Community Area").

1.2 Terms Defined in the Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition as in the Declaration.

1.3 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Act ("Act"), the Colorado Common Interest Ownership Act ("CCIOA"), the Declaration and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

2. OFFICES.

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association provided that, until such time as suitable quarters can reasonably be obtained within the Community Area, the principal office of the corporation shall be located at 808 Greenway, Gypsum, Colorado 81637.

2.2 Registered Office and Agent. The Act requires that the Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Association but may be changed by the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the office of the Secretary of State of Colorado.

3. MEMBERS.

3.1 Members. A "Member," as defined in the Declaration, is a Person, or if more than one, all Persons collectively, who constitutes the Owner of a Lot.

3.2 Memberships Appurtenant to Lots. Each Membership shall be appurtenant to the fee simple title to a Lot. The Person or Persons who constitute the Owner of fee simple title to a Lot shall automatically be the holder of the Membership appurtenant to that Lot and the Membership shall automatically pass with fee simple title to the Lot.

3.3 Voting Rights of Members. Each Member shall have the right to cast one vote for each Lot owned by such Member. Notwithstanding the foregoing, Declarant shall be entitled to select and appoint, in its sole discretion, Directors, in accordance with the provision of Section 5.5 hereof (the "Declarant Control Period"); provided, however, that not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Lots that may be created within the Community Area by Declarant to Owners other than Declarant, at least one Member, and not less than twenty-five percent (25%) of the Members of the Board of Directors, must be elected by Owners other than Declarant and, that no later than sixty (60) days after the conveyance of fifty percent (50%) of the Lots that may be created within the Community Area to Owners other than Declarant not less than thirty-three and one-third percent ($33\frac{1}{3}\%$) of the Members of the Board of Directors must be elected by Owners other than Declarant. The Declarant Control Period shall cease on the happening of any of the following events, whichever occurs earlier: (a) when seventy-five percent (75%) of the Lots that may be created within the Community Area have been conveyed to Persons other than Declarant and certificates of occupancy have been issued for residences constructed thereon; (b) two (2) years after the last conveyance of a Lot by Declarant in the ordinary course of business; (c) two (2) years after any right to add new units was last exercised; or (d) when, in its discretion, Declarant so determines.

3.4 Voting by Joint Owners. If there is more than one Person who constitutes the Owner of a Lot, each such Person shall be entitled to attend any meeting of Members, but the voting power attributable to the Lot shall not be increased. In all cases in which more than one Person constitutes the Owner of a Lot, including instances in which a Lot is owned by a husband and wife, then, unless written notice to the contrary, signed by anyone of such Persons, is given to the Board of Directors of the Association prior to the meeting, only one such Person shall be entitled to cast, in person or by proxy, the vote attributable to the Lot. If, however, more than one Person constituting such Owner attends a meeting in person or by proxy, then such Persons shall designate one Person to vote on behalf of such Owner, and the vote of such Person shall be the vote attributable to such Lot.

3.5 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended; provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of Declarant to vote or relating to the manner of exercise by Declarant of its voting rights. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of Members has been duly called pursuant to the provisions of these Bylaws and a quorum is present.

3.6 Suspension of Voting Rights. The Board of Directors may suspend, after Notice and Hearing, the voting rights of a Member during any period of breach by such Member of any provision of the Declaration or of any Rule or Regulation adopted by the Association including, but not limited to, the failure to pay any assessment pursuant to the Declaration, and for a period of up to ten (10) days following the cure of any such breach by such Member; provided, however, such Notice and Hearing shall not be required where a Member has failed to pay any assessment levied in accordance with the provisions of the Declaration.

3.7 Determination of Member Voting Percentage. Notwithstanding anything to the contrary contained herein, only Members whose voting rights are in good standing (e.g., voting rights which have not been suspended as provided herein) shall be entitled to vote on Association matters. In accordance therewith, any and all provisions contained herein requiring the approval of a requisite percentage of Members of the Association shall be deemed satisfied when the requisite percentage of Members entitled to vote has been met.

3.8 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

3.9 Assignment of Voting Rights to Tenants and Mortgagees. A Member may assign his right to vote to a tenant occupying his Lot or to a Mortgagee of his Lot for the term of the lease or the Mortgage and any sale, transfer or conveyance of the Lot shall, unless otherwise provided in the document of sale, transfer or conveyance, be subject to any such assignment of voting rights to any tenant or Mortgagee. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

4. MEETINGS OF MEMBERS.

4.1 Place of Members' Meetings. Meetings of Members shall be held at the principal office of the Association or at such other place within or convenient to the Community Area, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held in October of each year beginning in 2001 on such day and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting. The annual meetings shall be held to transact such business as may properly come before the meeting.

4.3 Special meetings of Members. Special meetings of the Members may be called by the Board of Directors of the Association, the President of the Association or by Members holding not less than 20% of the total votes of all Members entitled to vote, excluding votes of Declarant, or by Members holding not less than 20% of the total votes of all Members entitled to

vote, including votes of Declarant. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board of Directors of the Association may fix, in advance, a date as the record date for any such determination of Members. The record date shall be no more than 50 days prior to the meeting of Members or the event requiring a determination of Members.

4.5 Notice of Members' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, or at the direction of the President or the Secretary of the Association or the officers or persons calling the meeting, to each Member entitled to vote at such meeting; provided, however, that in the case of any meeting at which an Extraordinary Action and/or a Material Amendment to the Declaration is to be approved or rejected, such notice must be given at least 25 days prior to such meeting. The notice of an annual meeting shall identify any matter which it is known may come before the meeting including, but not limited to, the general nature of any proposed amendment to the Declaration or Bylaws, any Budget changes, and any proposal to remove an officer or member of the Board of Directors. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. Such notice may be posted in a conspicuous place in the Community Area, such as on a notice board outside the principal office of the Association, and such notice shall be deemed to be delivered to any Member upon such posting if such Member has not furnished an address for mailing of notice to the Association.

4.6 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Chairman of the Meeting prior to the time the proxy is exercised. Any proxy may be revocable by attendance of a Member in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the conveyance by a Member of the Lot of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid: (a) 60 days after the date of its execution unless otherwise provided in the proxy, and in any event, for no more than 11 months after the date of its execution; (b) unless the signatures of the Members providing the proxy are notarized; (c) unless the proxy contains the signature of all Members entitled to vote such interest; and (d) unless the proxy states the specific purpose and the specific meeting for which it was granted. Any form of proxy furnished or solicited by the Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least ten percent (10%) of the votes of all Members entitled to vote shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of Members, another meeting may be called, subject to the notice requirements herein above specified, and the presence, in person or by proxy, of Members entitled to cast at least five percent (5%) of the votes of all Members, shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

4.8 Adjournments of Members Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

4.9 Vote Required at Members' Meetings. At any meeting, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws without limiting the generality of the foregoing, a vote of eighty percent (80%) shall be required to reject any budget proposed by the Board of Directors. If rejected, the budget last ratified by the Members shall continue until such time as the Members ratify a subsequent budget proposed by the Board of Directors.

4.10 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; and (d) the conducting of the business for which the meeting was called.

4.11 Chairman of Meetings. At any meeting, the Members present shall select a Chairman and Secretary of the meeting.

4.12 Expenses of Meetings. The Association shall bear the expenses of all annual meetings of Members and of special meetings of Members.

4.13 Waiver of Notice. A waiver of notice of any meeting of Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the

express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.14 Action by Ballot. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting by ballot in the manner provided in the Act.

5. BOARD OF DIRECTORS.

5.1 General Powers and Duties of Board. The Board of Directors shall have the duty to manage and supervise the affairs of the Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Association, not reserved to Members, and provided in the Declaration, the Articles of Incorporation, these Bylaws, the Act or the CCIOA, as the same may be amended from time to time.

5.2 Special Powers and Duties of Board. Without limiting the foregoing statement or general powers and duties of the Board of Directors or the powers and duties of the Board of Directors as set forth in the Declaration, the Board of Directors of the Association shall be vested with and responsible for the following specific powers and duties:

(a) *Assessments.* The duty to fix and levy from time to time as it deems necessary common assessments, special assessments and reimbursement assessments upon the Members of the Association as provided in the Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Declaration.

(b) *Taxes.* The duty to pay all taxes and assessments levied upon the Association Properties and all taxes and assessments payable by the Association. The Board of Directors shall also have the power to contest any such taxes or assessments in accordance with the provisions contained in the Declaration.

(c) *Insurance.* The duty to contract and pay premiums for fire and casualty and blanket liability and other insurance in accordance with the provisions of the Declaration.

(d) *Association Property.* The duty and power to contract for and pay bills for maintenance, legal service, accounting service, gardening, common utilities and other materials, supplies and services relating to the Association Properties, tracts adjacent to the Association Properties, and to employ personnel necessary for the care and operation of the Association Properties and tracts adjacent to the Association Properties, and to contract and pay for necessary Improvements on the Association Properties.

(e) *Agents and Employees.* The power to select, appoint and remove all officers, agents and employees of the Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these

Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board.

(f) *Borrowing.* The power, with the approval of Members representing at least sixty percent (60%) of the voting power of the Association (exclusive of the voting power of the Declarant and those Members not entitled to cast votes), to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecation or other evidences of debt and securities therefor.

(g) *Enforcement.* The power to enforce the provisions of the Declaration, the Rules and Regulations, these Bylaws or other agreements of the Association.

(h) *Delegation of Powers.* The power to delegate its powers according to law.

(i) *Easements.* The power to grant easements where necessary for utilities and other facilities over the Association Properties to serve the Community Area as set forth in the Declaration and to grant and convey such other easements as the Board of Directors deems prudent including, but not limited to, easements which benefit property located outside the Community Area.

(j) *Rules and Regulations.* The power to adopt such Rules and Regulations as the Board may deem necessary for the management of the Community Area. Such Rules and Regulations may concern, without limitation, use of the Association Properties, signs, parking restrictions, collection and disposal of refuse, minimum standards of property maintenance consistent with the Declaration and the standards adopted by the Design Review Committee and any other matters within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles and these Bylaws.

(k) *Annexations.* The power to annex additional real property to the Community Area as more fully provided in the Declaration.

5.3 Qualifications of Directors. A Director may be any natural person and need not be an Owner of a Lot within the Community Area; provided, however, that upon the expiration of the Declarant's Control Period, at least a majority of the Directors shall be Owners, other than Declarant, or designated representatives of Owners other than Declarant. A Director may be reelected and there shall be no limit on the number of terms a Director may serve.

5.4 Number of Directors. The initial number of Directors of the Association shall be three. The number of Directors may be increased in accordance with these Bylaws provided that the number of Directors shall not be less than one and no decrease in number shall have the effect of shortening the term of any incumbent director. The number of Directors may be increased from time to time by a vote of the majority of the Board of Directors or as expressly provided herein.

5.5 Appointment, Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Prior to the time Members, other than Declarant, own twenty-five percent (25%) of the Lots, all Directors shall be appointed by Declarant. All Directors appointed by Declarant shall be subject to removal at any time and from time to time, by Declarant, in its sole and absolute discretion.

(b) Within thirty (30) days after the time Members, other than Declarant, own twenty-five percent (25%) of the Lots which may be created within the Community Area or whenever Declarant earlier determines, in its sole and absolute discretion, the Association shall call a special meeting at which Members other than Declarant shall elect no fewer than twenty-five percent (25%) of the then number of Directors or one (1) if there are then only two (2) Directors. The remaining Directors shall be appointed by Declarant. The Director elected by the Members other than Declarant shall not be subject to removal by Declarant acting alone and shall be elected for a term of one (1) year or until the happening of the event described in subparagraph (c) below, whichever is shorter. If such Director's term expires or such Director is removed prior to the happening of the event described in subparagraph (c) below, a successor shall be elected by the Members other than Declarant for a like term.

(c) Within thirty (30) days after the time Members, other than Declarant, own fifty percent (50%) of the Lots which may be created within the Community Area, or whenever Declarant earlier determines, in its sole and absolute discretion, the Board of Directors shall be increased to no fewer than five (5) Directors. In accordance with the foregoing, the Association shall call a special meeting at which time the Members, other than Declarant, shall elect two (2) Directors. The remaining three (3) Directors shall be appointed by Declarant. The Directors elected by the Members other than Declarant shall not be subject to removal by Declarant acting alone and shall be elected for a term of one (1) year or until the happening of the event described in subparagraph (d) below, whichever is shorter. If such Directors' terms expire or such Directors are removed prior to the happening of the event described in subparagraph (d) below, successors shall be elected by Members other than Declarant for a like term.

(d) Within thirty (30) days after the time the Declarant's Control Period terminates as provided herein, the Association shall call a special meeting at which time the Members, including Declarant, if Declarant is the owner of any Lots, shall elect all five (5) Directors. The Directors elected by the Members, including Declarant, shall serve until the first annual meeting following the termination of the Declarant Control Period. If such annual meeting occurs within thirty (30) days after termination of the Declarant Control Period, this subparagraph shall not apply and Directors shall be elected in accordance with subparagraph (e) below.

(e) At the first annual meeting of the membership after termination of the Declarant's Control Period, the five (5) Directors shall be elected as follows: Directors shall be elected by the Members, including Declarant, if Declarant is the owner of any Lot in the Community Area. Three (3) Directors shall be elected for a term of two (2) years, and two (2) Directors shall be elected for a term of one (1) year. At the expiration of the initial term of office

of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

5.6 Removal of Directors. Except as set forth in Section 5.5, at any meeting of Members, the notice of which indicates such purpose, any Director may be removed, with or without cause, by vote of two-thirds (2/3) of the Members of the Association entitled to vote and a successor may be then and there elected to fill the vacancy thus created.

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

5.8 Vacancies in Directors. Any vacancy occurring in the Board of Directors shall, unless filled in accordance with Sections 5.5 and 5.6 or by election at a special meeting of Members, be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors may be present. Any Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. Except as provided herein, a Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members.

5.9 Executive Committee. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee, which shall consist of three or more Directors and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board of Directors except authority with respect to the matters specified in the Act and the CCIOA as matters which such committee may not have and exercise the authority of the Board of Directors.

5.10 Other Committees of Association. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Members who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such Committee except such authority as only be exercised by the Board of Directors.

5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors.

5.12 Delegation of Duties. Subject to the provisions of C.R.S. § 38-33.3-306(3), the Board of Directors may delegate any of its duties to manage the Community Area, make budgets and assessments, collect and disburse Association funds and other similar matters to a managing agent on such terms as the Board of Directors may deem appropriate.

6. MEETINGS OF DIRECTORS.

6.1 Place of Directors' Meetings. Meetings of the Board of Directors shall be held at the principal office of the Association or at such other place, within or convenient to the Community Area, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Board of Directors shall be held on the same date as, or within 10 days following the annual meeting of Members. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board of Directors shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Members at which the Board of Directors is elected or if the time and place of the annual meeting of the Board of Directors is announced at the annual meeting of such Members.

6.3 Other Regular Meetings of Directors. The Board of Directors shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by such resolution.

6.4 Special Meetings of Directors. Special meetings of the Board of Directors may be called by the President or any two members of the Board of Directors.

6.5 Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than three nor more than 50 days before the date of the meeting, by mail, telegraph, telephone or personally, by or at the direction of the persons calling the meeting, to each member of the Board of Directors. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the second business day after it is deposited in the mail addressed to the Director at his home or business address as either appears on the records of the Association, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered at 5:00 p.m. on the next calendar day after it is deposited in a telegraph office addressed to the Director at either such address, with all charges thereon prepaid. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director or to any person answering the phone who sounds competent and mature at this home or business phone number as either appears on the records of the Association. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

6.6 Proxies. To the fullest extent permitted by the Act, a Director may vote by proxy at any meeting of Directors.

6.7 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws present or in person, to the fullest extent permitted by the Act, by proxy, shall constitute a quorum for the transaction of business.

6.8 Adjournment of Directors' Meetings. Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

6.9 Vote Required at Directors' Meeting. At any meeting of Directors, if a quorum is present, a majority of the votes in person or by proxy and entitled to be cast in a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

6.10 Order of Business. The order of business at all meetings of Directors shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.11 Officers at Meetings. The President shall act as chairman and the Board of Directors shall elect a Director to act as secretary at all meetings of Directors.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Board of Directors, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if a comment in writing, setting forth the action so taken, shall be signed by all of the Directors.

6.14 Telephonic Meetings. Meetings may be held by telephone conference call, video conference call or by other electronic means so long as all Directors can hear and be heard during such communication.

7. OFFICERS.

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a President, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Directors. Officers need not be Directors.

7.2 Appointment and Term of Office of Officers. The officers shall be appointed by the Board of Directors at the annual meeting of the Board of Directors and shall hold office, subject to the pleasure of the Board of Directors until the annual meeting of the Board of Directors or until their successors are appointed, whichever is later, unless the officer resigns or is earlier removed.

7.3 Removal of Officers. Any officer, employee or agent may be removed by the Board of Directors, with or without cause, whenever in the Board's judgment the best interests of the Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

7.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, the Secretary or the Board of Directors of the Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.5 Vacancies in Officers. Any vacancy occurring in any position as an officer may be filled by the Board of Directors. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

7.6 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board of Directors and of Members of the Association. The President or any Vice President, if any, may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

7.7 Vice President. A Vice President, if any, may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

7.8 Secretary. The Secretary shall be the custodian of the records and the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members, of the Board of Directors and of committees of the Board; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence or inability to act.

7.9 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board of Directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act.

7.10 Bonds - Segregation of Funds. The Association may obtain a fidelity bond or bonds for any person handling funds of the Association. Any Person or managing agent managing any funds or accounts of the Association shall keep such funds or accounts separate from the funds and accounts of other associations managed by such person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association. The person or managing agent maintaining the funds and accounts of the Association shall prepare an annual accounting for Association funds and a financial statement. Such documents may be prepared by the managing agent, a public accountant or a certified public accountant.

8. INDEMNIFICATION OF OFFICIALS AND AGENTS.

8.1 Certain Definitions. A "Corporate Official" shall mean any Director, officer or Tribunal Member, as hereinafter defined, and any former Director, officer or Tribunal Member of the Association. A "Corporate Employee" shall mean any employee and any former employee of the Association. "Expenses" shall mean all costs and expenses, including attorneys' fees, liabilities, obligations, judgments and any amounts paid in reasonable settlement of a Proceeding. "Proceeding" shall mean any claim, action, suit or proceeding, whether threatened, pending or completed, and shall include appeals.

8.2 Right of Indemnification. The Association shall indemnify any Corporate Official and any Corporate Employee against any and all Expenses actually and necessarily incurred by or imposed upon him to the fullest extent required or permitted by law. The right of indemnification shall not extend to any matter as to which such indemnification would not be lawful under the laws of the State of Colorado.

(a) *Standards of Conduct.* The Association shall indemnify any Corporate Official or any Corporate Employee against liability incurred as a result of the Proceeding if the Corporate Official or Corporate Employee: (i) conducted himself or herself in good faith; (ii) reasonably believed (A) in the case of a Director acting in his or her official capacity, that his or her conduct was in the Association's best interests, or (B) in all other cases, that the Corporate Official's or Corporate Employee's conduct was at least not opposed to the Association's best interests; and (iii) in the case of any criminal proceeding, the Corporate Official and Corporate Employee had no reasonable cause to believe his or her conduct was unlawful.

(b) *Settlement.* The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the Corporate Official or Corporate Employee did not meet the applicable standards of conduct as set forth in subsection 8.2(a).

8.3 Indemnification Prohibited. The right of indemnification shall not extend to matters as to which the Corporate Official or Corporate Employee: (i) has been adjudged liable for gross negligence or willful misconduct in the performance of the Corporate Official's or Corporate Employee's duty to the Association, or (ii) in connection with any Proceeding charging improper personal benefit to such Corporate Official or Corporate Employee, in which the party was adjudged liable on the basis that personal benefit was improperly received by such Corporate Official or Corporate Employee (even if the Association was not thereby damaged). Notwithstanding the foregoing, the Association shall indemnify such Corporate Official or Corporate Employee if and to the extent required by the court conducting the Proceeding, or any other court of competent jurisdiction to which such Corporate Official or Corporate Employee has applied, if it is determined by such court, upon application by such Corporate Official or Corporate Employee, that despite the adjudication of liability in the circumstances in clauses (i) and (ii) of this subsection 8.3 or whether or not the party met the applicable standards of conduct set forth in subsection 8.2(a), and in view of all relevant circumstances, the Corporate Official or Corporate Employee is fairly and reasonably entitled to indemnification for such expenses as the court deems proper in accordance with the Colorado Revised Nonprofit Corporation Code.

8.4 Prior Authorization Required. Any indemnification under Section 8.2 (unless ordered by a court or in accordance with Section 8.5 below) shall be made by the Association only if authorized in the specific case after a determination has been made that the Corporate Official or Corporate Employee is eligible for indemnification in the circumstances because such Corporate Official or Corporate Employee has met the applicable standards of conduct set forth in subsection 8.2(a) and after an evaluation has been made as to the reasonableness of the Expenses. Any such determination, evaluation and authorization shall be made by the Board of Directors by a majority vote of a quorum of such Board, which quorum shall consist of Directors not parties to the Proceeding, or by such other person or body as permitted by law.

8.5 Success on Merits or Otherwise. Notwithstanding any other provision of this Article 8, the Association shall indemnify such Corporate Official or Corporate Employee to the extent that such party has been successful, on the merits or otherwise, including, without limitation, dismissal without prejudice or settlement without admission of liability, in defense of any Proceeding to which the party was a party against Expenses incurred by such party in connection therewith.

8.6 Advancement of Expenses. The Association may, but shall not be obligated to, pay for or reimburse the Expenses, or a portion thereof, incurred by a party in advance of the final disposition of the Proceeding if (a) the party furnishes the Association a written affirmation of such party's good faith belief that he or she has met the standard of conduct described in subsection 8.2(a)(i); (b) the party furnishes the Association a written undertaking, executed personally or on behalf of such party, to repay the advance if it is ultimately determined that the party did not meet such standard of conduct; and (c) authorization of payment and a

determination that the facts then known to those making the determination would not preclude indemnification under this Article have been made in the manner provided in Section 8.4. The undertaking required by clause (b) must be an unlimited general obligation of the party, but need not be secured and may be accepted without reference to financial ability to make repayment.

8.7 Payment Procedures. The Association shall promptly act upon any request for indemnification, which request must be in writing and accompanied by the order of court or other reasonably satisfactory evidence documenting disposition of the Proceeding in the case of indemnification under Section 8.4, and by the written affirmation and undertaking to repay as required by Section 8.5 in the case of indemnification under such section 8.6. The right to indemnification and advances granted by this Article shall be enforceable in any court of competent jurisdiction if the Association denies the claim, in whole or in part, or if no disposition of such claim is made within 90 days after written request for indemnification is made. A party's Expenses incurred in connection with successfully establishing such party's right to indemnification, in whole or in part, in any such Proceeding shall also be paid by the Association.

8.8 Notification to Members. Any indemnification of or advance of Expenses to a Director (but not to any other party) in accordance with this Article, if arising out of a Proceeding by or on behalf of the Association, shall be reported in writing to the Members with or before the notice of the next meeting of Members.

8.9 Authority to Insure. The Association may purchase and maintain liability insurance on behalf of any Corporate Official or Corporate Employee against any liability asserted against him and incurred by him as a Corporate Official or Corporate Employee or arising out of his status as such, including liabilities for which a Corporate Official or Corporate Employee might not be entitled to indemnification hereunder.

8.10 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as may appear appropriate to the Board of Directors in each specific case and circumstances, including, but not limited to, any one or more of the following: (a) that any counsel representing the party to be indemnified in connection with the defense or settlement of any proceeding shall be counsel mutually agreeable to the party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated or threatened against the party to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified party's right of recovery, and that the party to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

8.11 Other Rights and Remedies. The indemnification provided by this Article shall be in addition to any other rights which a party may have or hereafter acquire under any law, provision of the Articles of Incorporation, any other or further provision of these Bylaws, vote of the Members or Board of Directors, agreement or otherwise.

8.12 Applicability Effect. The indemnification provided in this Article shall be applicable to acts or omissions that occurred prior to the adoption of this Article, and shall continue as to any party entitled to indemnification under this Article who has ceased to be a Director, officer or employee of the Association. The repeal or amendment of this Article or of any Section or provision hereof that would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Association to indemnify any person, or affect any rights of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Article shall be deemed to be provided by a contract between the Association and each party covered hereby.

8.13 Indemnification of Agents. The Association shall have the right, but shall not be obligated, to indemnify any agent of the Association not otherwise covered by this Article to the fullest extent permissible by the laws of Colorado. Unless otherwise provided in any separate indemnification arrangement, any such indemnification shall be made only as authorized in the specific case in the manner provided in Section 8.3.

8.14 Savings Clause; Limitation. If this Article or any Section or provision hereof shall be invalidated by any court on any ground, or if the Act is amended in such a way as to affect this Article, then the Association shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of this Article that shall not have been invalidated.

9. MISCELLANEOUS.

9.1 Amendment of Bylaws. The Board of Directors may alter, amend, repeal or adopt new Bylaws or adopt new Bylaws at any time prior to the conveyance of the first Lot to an Owner other than Declarant. Thereafter the Members shall have the exclusive power to alter, amend or repeal the Bylaws. The Members, at a meeting called for that purpose, shall have the sole power to alter, amend or repeal the Bylaws and to adopt new Bylaws by a majority of votes present at the meeting and entitled to vote hereunder, if a quorum is present. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with law, the Declaration or the Articles of Incorporation. Notwithstanding anything to the contrary contained herein and to the extent permitted by the Act prior to the termination of the Declarant's Control Period, these Bylaws shall not be amended without Declarant's prior written consent and approval.

9.2 Compensation of Officers, Directors and Members. No Director or Officer shall have the right to receive any compensation from the Association for serving as such Director except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Directors.

9.3 Books and Records. The Association shall keep correct and complete books and records of account and shall keep, at its principal office in Colorado, a record of the names and addresses of its Members, including Declarant, and copies of the Declaration, the Articles of

Incorporation and these Bylaws which may be purchased by any Member at reasonable cost. All books and records of the Association, including the Articles of Incorporation, Bylaws as amended and minutes of meetings Members and Directors may be inspected by any Member, or his agent or attorney and any First Mortgagee of a Member for any proper purpose. The right of inspection shall be subject to any reasonable rules adopted by the Board of Directors requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.

9.4 Annual Report. The Board of Directors may cause to be prepared and distributed to each Member and to each First Mortgagee who has filed a written request therefor, not later than 90 days after the close of each fiscal year of the Association, an annual report of the Association containing (a) an income statement reflecting income and expenditures of the Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year; (c) a statement of changes in financial position for such fiscal year; and (d) a statement of the place of the principal office of the Association where the books and records of the Association, including a list of names and addresses of current Members, may be found. The Financial statements of the Association shall be review by an independent public accountant and a report based upon such review shall be included in the annual report.

9.5 Statement of Account. Upon written request of an Owner of a Lot or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish a written statement of account setting forth the amount of any unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Lot, the Owner of the Lot and the amount of the assessments for the current fiscal period of the Association payable with respect to the Lot. Such statement shall be issued within fourteen (14) business days after receipt of such request by the Association and, with respect to the party to whom it is issued, shall be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other assessments have then been levied.

9.6 Biennial Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, biennial corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.7 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end the succeeding December 31 except that the first fiscal year shall begin on the date of incorporation. The fiscal year may be changed by the Board of Directors without amending these Bylaws.

9.8 Seal. The Board of Directors may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "COLORADO."

9.9 Shares of Stock and Dividends Prohibited. 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, Directors or Officers. Notwithstanding the

foregoing, the Association may issue certificates evidencing membership therein, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

9.10 Loans to Directors and Officers Prohibited. No loan shall be made by the Association to any Director or Officer, and any Director 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 the repayment thereof.

9.11 Limited Liability. As provided in the Articles of Incorporation and Declaration, the Association, the Board of Directors, the Design Review Committee, Declarant and any Member, agent or employee of any of the same, shall not be liable to any Person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

9.12 Special Rights of First Mortgagee. Any First Mortgagee of a Mortgage encumbering any Lott in the Community Area, upon filing a written request therefor with the Association, shall be entitled to (a) receive written notice from the Association of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under the Declaration, the Articles of Incorporation, these Bylaws or Rules and Regulations, which default is not cured within 60 days after the Association learns of such default; (b) examine the books and records of the Association during normal business hours; (c) receive a copy of financial statements of the Association including any annual financial statement within 90 days following the end of any fiscal year of the Association; (d) receive written notice of all meetings of Members; (e) designate a representative to attend any meeting of Members; (f) receive written notice of abandonment or termination of the Declaration; (g) receive 30 days written notice prior to the effective date of any proposed, material amendment to the Declaration, the Articles of Incorporation or these Bylaws; and (h) receive immediate written notice as soon as the Association receives notice or otherwise learns of any damage to the Association Properties if the cost of reconstruction exceeds \$10,000 and as soon as the Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Association Properties.

9.13 Minutes and Presumptions Thereunder. Minutes or any similar record or the meetings of Members, or of the Board of Directors, 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.

9.14 Record of Mortgagees. Under the Declaration, First Mortgagees have certain special rights. Therefore, any such First Mortgagee or, upon the failure of such First Mortgagee, any Member who has created or granted a First Mortgage, shall give written notice to the Association, through its Manager, or through the Secretary in the event there is no Manager, which notice shall give the name and address of the First Mortgagee and describe the Lot encumbered by the First Mortgage. The Association shall maintain such information in a book entitled "Record of First Mortgagees on Lots." Any such First Mortgagee or such Member shall

likewise give written notice to the Association at the time of release or discharge of any such First Mortgage.

9.15 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

9.16 Execution of Documents. The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

10. POLICIES AND PROCEDURES FOR ENFORCEMENT OF THE DECLARATION, BY-LAWS AND RULES.

10.1 Association's Enforcement Rights. In the event of an alleged violation by an Owner of the Declaration, the Bylaws or these Rules and Regulations, the Board of Directors shall have the right, after Notice and Hearing as hereinafter provided, and upon an affirmative vote of a majority of the Directors on the Board, to take anyone or more of the actions provided herein or as provided in the Declaration. The policies and procedures governing the Notice and Hearing regarding such violations are as set forth herein (the "Policies and Procedures").

10.2 Written Complaint. A hearing to determine whether enforcement action under the Declaration or these Rules should be taken shall be initiated by the filing of a "Written Complaint" by any Member or by any officer or member of the Board of Directors or the Design Review Committee with the President of the Association or other presiding member of the Board.

10.3. Notice of Violation. A "Notice of Violation" of any provisions of the Declaration, Bylaws or Rules shall be provided to the applicable Owner as soon as reasonably practicable following the filing of a Written Complaint of such violation with the Board. The Notice of Violation shall contain a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Owner is charged and a reference to the specific provisions of the Declaration, the Bylaws or these Rules and Regulations which the Owner is alleged to have violated. The notice shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents.

A copy of the Notice of Violation shall be delivered to the Owner in accordance with the notice provisions set forth herein, together with a statement which shall be substantially in the following form:

“Unless a written request for a hearing signed by or on behalf of the Owner is delivered or mailed to the Board of Directors within fifteen (15) days after this Notice of Violation was served upon you, the Board of Directors may proceed upon the alleged violation without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing a written notice stating and describing the grounds and basis for challenging or denying the alleged violation as well as such other information the you may deem pertinent, to the Board of Directors at the following address:

_____,
Attn: _____. If you desire the names and addresses or witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact _____. A written request for such information must be made not later than ten (10) days prior to your hearing.”

The Owner shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors.

10.4 Services of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

If to an Owner: By personal delivery to the Owner; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner as contained in the Association's records;

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the second (2nd) day following the date of mailing.

10.5 Failure to Request a Hearing. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the aforementioned fifteen (15) day period, the Board shall determine if there was a violation, and if so, impose a reasonable fine, assessment, fee or charge within the guidelines contained in these Rules and the Declaration. The fine, assessment, fee or charge is due and payable immediately upon receipt of notice of the said assessment. The Association's managing agent shall give notice of said assessment to the applicable Owner as provided in these Policies and Procedures.

10.6 Discovery. Upon written request to the Association, not later than ten (10) days prior to the date of hearing, the Owner shall be entitled to: (a) obtain the names and addresses of witnesses, to the extent known to the Association, and (b) inspect and make copies of any

statements, writings and investigative reports relative to the case contained in the Association's records. Nothing in this section shall, however, authorize the inspection or copying of any writing or other thing which is privileged from disclosure by law or otherwise made confidential or protected, such as attorney work product

10.7 Board to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to these Policies and Procedures. The Board may appoint an officer or other Owner to act as the presiding officer (the "Presiding Officer") at any of the hearings.

10.8 Conflicts. It shall be incumbent upon each Board member to make a determination as to whether he is able to function in a disinterested and objective manner as an impartial decision maker on each hearing before the Board. Any Board member incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and said Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer shall appoint an Association Member, in good standing, to serve as a voting member of the hearing board.

10.9 Notice of Hearing. The Board shall serve a "Notice of Hearing", as provided herein on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the Owner. The hearing shall be held no sooner than thirty (30) days after the Notice of Violation is mailed or delivered to the Owner. The Notice of Hearing to the Owner shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before the Board of The Homeowners Association for The Single Family Residences at Buckhorn Valley, Inc. at _____, Colorado _____, on the _____ day of _____, 20__, at the hour of _____ upon the charges made in the Notice of Violation served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Association."

10.10 Hearing. Each hearing shall be held at the scheduled time, place and date, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Hearing. The general procedure for hearing shall consist of opening statements by each party; presentation of testimony and evidence, including cross-examination of witnesses by each party; and closing statements by each party. Notwithstanding the foregoing, the Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and shall be authorized to question witnesses, review evidence and take such other reasonable action

during the course of the hearing which it may deem appropriate or desirable to permit the Board to reach a just decision in the case. Rules of law regarding trials and presentation of evidence and witnesses shall be applicable to the hearing insofar as the Presiding Officer deems adherence to such rules of law to be in the interests of justice; provided that any relevant evidence should be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the course of serious affairs. Neither the complaining parties nor the Owner must be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Hearing, request for hearing and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all Members of the Association.

10.11 Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its decision thereon within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the Board. The Board shall issue written findings of fact and conclusions, and, if applicable, shall impose a reasonable fine, assessment, fee or charge within the guidelines contained in these Rules and the Declaration. The Board may also issue and present for recording with the Clerk and Recorder of Eagle County, Colorado, a notice of finding of violation. Upon satisfactory compliance with the Association's governing documents, the notice of finding of violations may be released by the Association issuing and recording a release of notice of findings of violations.

10.12 Modification, Amendments, Repeal and Re-Enactment. Notwithstanding anything to the contrary contained in these Policies and Procedures, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Policies and Procedures in accordance with the Declaration, Bylaws and applicable law.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of The Homeowners Association for the Single Family Residences at Buckhorn Valley, Inc., a Colorado non-profit corporation ("Association"); and

2. The foregoing Bylaws, comprising twenty-three (23) pages including this certificate page, constitute the Bylaws of the Association duly adopted by unanimous consent of the Board of Directors of the Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Association this 28th day of April, 2009.

(SEAL)


Secretary