

Section 2.8. Order of Business: The order of business at the annual meeting of members shall be as follows:

- (a) Roll call of members present entitled to vote
- (b) Inspection and verification of proxies
- (c) Reading of minutes of the preceding annual meeting
- (d) Report of officers
- (e) President's report
- (f) Committee reports
- (g) Election of members of the Board of Directors
- (h) Unfinished business
- (i) New business

ARTICLE III
BOARD OF DIRECTORS

Section 3.1. Number and Qualification: The affairs and business of the Association shall be conducted by a Board of Directors consisting of not less than one (1) member nor more than five (5) members who shall be elected at the annual meeting by members of the Association entitled to vote thereat. Members of the Board shall serve until their successors are duly elected and qualified. The number of the Board of Directors shall be established from time to time by amendment to these Bylaws.

Section 3.2. Election and Term of Office: At annual meetings of the membership of the Association to be held as herein provided, the terms of office of the Directors may be fixed for such period of time as the membership entitled to vote may determine, and such terms may be staggered, that is to say, various members may be elected for terms of different lengths so that there will be a carryover of old Directors at each annual meeting, and only new Directors will be designated thereafter, provided that nothing herein contained shall prevent the election of a Director whose term has expired to a new term as such Director.

Section 3.3. Vacancies: Vacancies in the membership of the Board of Directors caused for any reason other than the removal of a Director by a vote of the membership as herein permitted shall be filled by a vote of a majority of the remaining Directors even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected at the next annual meeting of the membership.

Section 3.4. Removal of Directors: A Director may be removed as such at any regular or special meeting duly called, with or without cause, by a vote of a majority of the members entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. The term of office of any Director shall be declared vacant when such Director ceases to be a member of the Association by reason of the transfer of his ownership of a lot.

Section 3.5. Compensation: Directors shall not be paid any compensation for their services performed as such Directors unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors of the Association, and ratified by resolution of the membership. Directors may be reimbursed for actual expenses incurred in connection with their duty as Directors.

Section 3.6. Organization Meeting: Within a period of ten (10) days following the election of newly elected Board of Directors, an organization meeting of the Directors shall be held at a time and place fixed by the Directors, at which meeting officers of the Association shall be elected as provided for in Article IV hereof.

Section 3.7. Regular Meetings: Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the President of the Association or by a majority of its Board of Directors.

Section 3.8. Special Meetings: Special meetings of the Board of Directors may be called by the President or Secretary on 48 hours notice to each Director given personally by mail or telephone, which notice shall state the date, time, and place of the meeting and the purpose thereof.

Section 3.9. Waiver of Notice: Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.10. Quorum: A majority of the Board of Directors then in office shall constitute a quorum for the transaction of any business of the Association, and the act of a majority of the Directors present at a meeting at which time a quorum was present shall be the act of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting to a later date. At any adjourned meeting at which a quorum is present any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11. Hearing Procedure: The Board of Directors shall not impose a fine, suspend voting or suspend any rights of a Member or other occupant for violations of rules and regulations or of the provisions of the Declaration unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from the alleged violation shall be served in person or by certified mail, return receipt requested, upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period, not less than seven (7) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in demand for abatement without penalty or if the same rule is subsequently violated, the Board of Directors shall serve the violator with written notice in person or by certified mail, return receipt requested, of a hearing to be held by the Board of Directors. The notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time shall not be less than ten (10) days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witness on the Member's behalf; and
- (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing shall be held pursuant to this notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The presenting party shall provide copies of any written evidence to the other party or parties. The decision of the Board of Directors shall be final.

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**ARTICLE V
RULES AND REGULATIONS**

The Board of Directors may, from time to time, promulgate rules and regulations consistent with and in furtherance of the covenants affecting the subject property and the Articles and Bylaws of this Association.

**ARTICLE VI
BOOKS AND RECORDS - INSPECTION**

Books and Records: The Board of Directors shall cause to be maintained at the principal office of the Association complete books of account of the affairs of the Association.

Section 6.2. Inspection: The books of account and records of the Association shall be open to inspection at convenient week day business hours by any Owner or the mortgagee of any Lot. Such inspection by any Owner or mortgagee may be made in person or by agent or attorney, and the right of inspection includes the right to make extracts or perform audits. Any such inspection shall be at the expense of the Owner or mortgagee conducting the same. Upon ten (10) days notice to the Board of Directors or to a manager or officer as may be established by the Board of Directors from time to time, any Owner or mortgagee shall be furnished a statement of account setting forth the amount of an unpaid assessment or other charges due and owing in connection with the Lot in which said Lot Owner or mortgagee holds an ownership or ten interest.

**ARTICLE VII
SEAL**

The Board of Directors shall provide a corporate seal which shall be circular in form, and shall have inscribed thereon the name of the Association and the state of incorporation and the word "Seal".

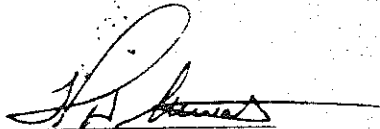
**ARTICLE VIII
AMENDMENTS**

These Bylaws may be amended by a majority vote of the Board of Directors at any regular meeting or any special meeting called for such purpose. The notice of the meeting to amend the Bylaws shall specify the amendment in such notice. No Bylaws shall be amended nor shall supplemental Bylaws be added hereto which shall be in conflict with the statutes of the State of Colorado or the conditions, provisions, and terms of the Declaration.

**ARTICLE IX
CONFLICT OF DOCUMENTS**

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 Declaration and these Bylaws, the Declaration shall control.

The foregoing Bylaws were duly adopted at a meeting of the Board of Directors held the 30th day of August, A.D., 1999.


Secretary