

BYLAWS OF THE ASPEN VALLEY ESTATES NORTH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I GENERAL

1.1. Purpose of Bylaws. The Bylaws of the Aspen Valley Estates North Homeowners Association, Inc. (the "Bylaws"), are adopted for the regulation and management of the affairs of the Aspen Valley Estates North Homeowners Association, Inc. (the "Association"). The Association has been organized as a Colorado non-profit corporation under the Colorado Revised Nonprofit Corporation Act (the "Act") to be and constitute the Association under the Declaration of Covenants, Conditions, and Restrictions for the Aspen Valley Estates North Subdivision, which may be amended from time to time (the "Declaration"), and as they have been recorded in the Office of the Clerk and Recorder of Mesa County, Colorado. The Declaration relates to certain real property identified therein and which is located in Mesa County, Colorado, which is now or is in the future made subject to the Declaration.

1.2. Governing Law. The Articles of Incorporation of the Association, these Bylaws, and the Declaration shall be governed by and subject to the Act and the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101, *et seq.*, as amended ("CCIOA").

1.3. Terms Defined in Declaration. The terms used in these Bylaws, which are not defined herein, are defined in the Declaration, and they shall have the same definitions as set forth in the Declaration. As used in these Bylaws, the terms Member and Owner shall have the same meaning.

ARTICLE II 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.

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 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 in the Act.

ARTICLE III MEMBERS

3.1. Members. By accepting a deed to a Lot, each Owner, as that term is defined in the Declaration, shall be a Member of the Association. An Owner's membership in the Association shall automatically terminate whenever that Owner ceases to own a Lot, but such termination shall

not relieve or release any former Owner from any liability or obligation incurred under or in connection with the Association during the period of such ownership.

3.2. Classes of Members. The Association shall have one class of Members.

3.3. Memberships Appurtenant to Lots. Each membership in the Association shall be appurtenant to the fee simple title to a Lot. The person(s) or entity(ies) who constitute the Owner of fee simple title to the 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.

3.4. Number of Votes. There shall be one membership in the Association for each Lot. The number of votes appurtenant to the membership appurtenant to each Lot or shall be one (1).

3.5. Manner of Acting. Unless otherwise provided for in these Bylaws, the Articles, the Declaration, or the Act, the affirmative vote of a majority of the total of all Members entitled to vote on any matter shall constitute approval of such matter. All references to a percentage of votes or number of votes of the Members in these Bylaws means the percentage of votes or number of votes of those Members entitled to vote on such matters.

3.6. Voting by Joint Owners. If there is more than one (1) person who constitutes the Owner of a Lot, each such Owner shall be entitled to attend any meeting of Members, but the number of votes attributable to that Lot shall remain one (1). Where there is more than one (1) Owner, but only one (1) of them is present at a meeting of the Members, such Owner shall be entitled to cast the vote allocated to that Lot. However, if more than one (1) Owner is present, and unless those Owners who are present agree otherwise, the vote allocated to that Lot may only be cast if a majority of the Owners of the Lot designate, by written notice to the Association, the Owner who shall cast the one (1) vote for that Lot, and the failure to do so will forfeit the Owners' ability to vote on any issue presented. Additionally, the vote may not be divided or voted on a fractional or pro rata basis.

3.7. Voting by Entities. If the Owner of a Lot is an Entity, a shareholder, partner, member, manager, beneficiary, trustee, or other owner may cast a vote on behalf of the Entity, provided this person has been designated, by written notice to the Association, at least thirty (30) days prior to the vote being taken. The number of votes attributable to the Lot shall remain one (1).

3.8. Suspension of Voting Rights. Except as provided in the Declaration, the Board of Directors (or "Board") may suspend, after Notice and Hearing, the voting rights of a Member for at least sixty (60) days following any breach or violation by such Member, or any tenant or invitee of such Member, of any provision of the Declaration, these Bylaws, or of any policy, procedure, rule, or regulation of the Association, and for such period of time until any and all sanctions and damages assessed against any Member, or any tenant or invitee of such Member, have been satisfied. The right to suspend voting rights is in addition to any and all other remedies available to the Association for any such breach or violation.

3.9. Transfer of Memberships on Association Books. Transfers of memberships in the Association shall be made on the books of the Association, and only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the membership is appurtenant. Upon request by the Association, the Owner or Owners of a Lot shall present evidence to the Association sufficiently identifying the Owner or Owners of a Lot and the percentage of ownership of each Owner, and this evidence shall include, but is not limited to, agreements, operating agreements, resolutions, contracts, and/or other documentation.

3.10. Membership Certificates. No certificates of membership or stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Members. Any such membership cards shall be surrendered to the Association immediately upon termination of the ownership of the Lot.

3.11. Obligations of Members. Each Member shall have all of the obligations imposed upon a Member in the Articles of Incorporation, these Bylaws, and the Declaration, including, but not limited to, the duty to pay all Assessments as provided for in the Declaration.

ARTICLE IV MEETINGS OF MEMBERS

4.1. Place of Meetings. Meetings of Members shall be held at the principal office of the Association, or at such other place within or convenient to the Members of the Association, or by telephonic conference call or other electronic means, such as Zoom, as determined by the Board of Directors, and as specified in the notice of the meeting.

4.2. Annual Meetings of Members. Annual Meetings of Members shall be held on such a day of the month and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting, but in no event shall the Annual Meeting of Members be held ninety (90) days after the Board of Director's approval of the annual budget. Annual meetings of Members shall be held to elect Directors of the Association and to transact such other business that may properly come before the meeting.

4.3. Special Meetings of Members. Special Meetings of Members may be called by the President, the Board of Directors, or by written demand of the Members representing at least twenty percent (20%) of the total votes of all Members. A demand for a Special Meeting made by the Members must include the time and place of the meeting, the items on the agenda, and a description of the purpose or purposes for which it is to be held, including the nature of any proposed amendments to the Articles of Incorporation, Declaration, or Bylaws, any budget changes, and any proposal to remove any officer or director at the meeting. No business shall be transacted at a Special Meeting of Members except as indicated in the notice thereof.

4.4 Delinquency Meetings. Any meeting regarding a unit owner and referral of delinquency shall be an executive or closed meeting. The subject unit owner of a disciplinary hearing or delinquency referral may request and receive the results of any votes taken at that meeting.

4.5. Conduct of Meetings and Decorum. Each Member who wishes to speak at a meeting, whether at a Member Meeting or a Board Meeting, will be given a reasonable time to speak, provided the person who is running that meeting (the "Chairman") may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one (1) topic, subject to the Chairman's discretion. Members must maintain decorum and refrain from addressing the Members or Board until recognized by the Chairman. Members may not interrupt anyone who has the floor or otherwise disrupt the meeting. Members may not engage in personal attacks on either the Board of Directors or other Members/Owners. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the matter being discussed. No Member may use abusive, rude, threatening, vulgar, or crude language. Members must obey all orders made by the Chairman, including an order to step down. Any Member who refuses to follow these rules will be asked to leave the meeting, and this Member may also be subject to fines, penalties, and sanctions as provided for in these Bylaws, subject to the Policy Regarding Collections, Due Process, and Delinquent Accounts of the Aspen Valley Estates North Homeowners Association, Inc. (the "Due Process Policy"), attached hereto as Exhibit 1 and incorporated herein by reference.

4.6. Record Date. For the purpose of determining Members entitled to notice of any meeting of Members, or in order to make a determination of the number of votes which a Member is entitled to cast, or for any other proper purpose, the Board of Directors may fix, in advance, a date as the record date for any such determination of Members. The record date shall not be more than thirty (30) days prior to the meeting of Members or the event requiring a determination of Members. If no record date is fixed for determining the Members entitled to notice of a meeting of Members, the Members at the close of business on the business day preceding the day on which notice is given, or if notice is waived, at the close of business on the business day preceding the day on which the meeting is held, are entitled to notice of the meeting.

4.7. Voting List. The list of Members who are entitled to vote at the meeting, or who will be casting a vote at the meeting for an Owner which is an Entity, including the number of votes each Member is entitled to vote at the meeting, shall be available for inspection at any time prior to and during the Meeting, by any Member at the time, for the purposes and in the manner provided for in the Act.

4.8. Notice of Members' Meetings. Written notice stating the place, day, and hour of any meeting of Members shall be delivered to each Member, whether or not that Member is entitled to vote, not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by facsimile, email, or mail, at the direction of the President or the Secretary of the Association or the officers or persons calling the meeting. The notice of an Annual Meeting shall include the names of any known candidates for the Board of Directors and shall identify any other matter that may come before the meeting. The notice of any meeting shall also state the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or director. To the extent posting is feasible and practical, notice of any meeting of Members, whether regular or special, shall be posted in a conspicuous place within the Subdivision.

4.9. Proxies. A Member shall be entitled to vote by proxy at any meeting of Members in accordance with the Act.

4.10. Quorum at Members' Meetings. The presence in person or by proxy of Members entitled to cast at least a majority of the votes of all Members shall constitute a quorum at any meeting of Members. Members present at a duly organized meeting of Members may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum.

4.11. Adjournments of Members' Meetings. Members, by a vote of a majority of the votes of the Members present at any meeting of Members, 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 as to the new date, time, or place of the meeting, for a total period or periods not to exceed thirty (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 might have been transacted at the meeting as originally called.

4.12. Vote Required at Members' Meetings. At any meeting of Members, if a quorum is present, a majority of the votes present in person 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.

4.13. Cumulative Voting Not Permitted. Cumulative voting by Members in the election of Directors shall not be permitted.

4.14. Order of Business. The order of business at all meetings of Members shall be as follows: (a) roll call to determine the number of votes represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of the minutes of a preceding meeting; (d) reports of officers; (e) reports of committees; (f) election of Directors (at Annual Meetings or Special Meetings held for such purpose); (g) unfinished business; and (h) new business.

4.15. Officers of Meetings. The President of the Association shall act as the Chairman and the Secretary of the Association shall act as Secretary of any meeting of Members. In the absence of the President, the Vice President, the Secretary, or the Treasurer, in that order, shall act as Chairman of the meeting. In the absence of the Secretary, the Vice President or Treasurer, in that order, shall act as Secretary of the meeting.

4.16. 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 of Members shall constitute a waiver of notice of such meeting except when the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

4.17. Waiver of Objection. A Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting, which is not within the purpose or purposes

described in the meeting notice, unless the Member objects to considering the matter when it is presented.

4.18. Action Without a Meeting - Written Ballot. Any action, which may be taken at an Annual or Special Meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only 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 votes for approval of the action equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than the election of Directors; (c) specify the time by which a ballot must be received by the Association in order to be counted; and (d) be accompanied by written information sufficient to permit each Member casting such ballot to reach an informed decision on the matter. No Member may revoke his, her, or its written ballot.

4.19. Action Without a Meeting - Written Consent. Any action required or permitted to be approved by the Members may be approved without a meeting of the Members if a sufficient number of the Members entitled to vote on such action consent to such action in writing and such written consent is received by the Association within sixty (60) days (or such shorter period of time as established by the Board of Directors) after information regarding or requesting the consent is sent to the Members. Approval by written consent shall be valid only when the consent is signed by Members who hold a number of votes which equals or exceeds the number of votes that would be required to approve the matter at a meeting at which all of the votes of Members entitled voted thereon were cast. Unless another record date is fixed, as provided for in these Bylaws, the record date for determining the Members entitled to take action without a meeting and the number of votes represented by the Members is the date the first Member signs the consent. Written notice of Member approval pursuant to this Section shall be given to all Members who have not signed the consent. If written notice is required, Member approval pursuant to this Section shall be effective ten (10) days after such written notice is given.

ARTICLE V BOARD OF DIRECTORS

5.1. General Powers and Duties of Board. The affairs of the Association shall be managed by a Board of Directors. 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 in the Declaration, the Articles of Incorporation, these Bylaws, or the Act.

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. To fix and levy from time-to-time Assessments upon the Owner of a Lot 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) Insurance. To obtain and maintain insurance coverage in accordance with the provisions of the Declaration.

(c) Common Elements. To maintain all of the Common Elements and, in connection therewith, to contract for and pay bills for maintenance, legal services, accounting services, landscaping, common utilities, and other materials, supplies, and services relating to the Common Elements, and to employ personnel necessary for the care and operation of the Common Elements, and to contract and pay for necessary improvements on the Common Elements.

(d) Agents and Employees. 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 and with the Articles of Incorporation, the Declaration, and these Bylaws, as well as to fix their compensation, if any.

(e) Borrowing. To borrow money and to incur indebtedness for the purposes of the Association with the approval of Members or as otherwise permitted in the Declaration or Act, and to cause to be executed and delivered therefore, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor.

(f) Enforcement. To administer and enforce the provisions of the Declaration, these Bylaws, the policies, procedures, rules, or regulations of the Association, or other agreements of the Association.

(g) Delegation of Powers. To delegate its powers according to law.

(h) Easements. To grant easements where necessary for utilities and other facilities over the Property to serve the Subdivision or as otherwise permitted in the Declaration.

(i) Rules and Regulations. To adopt policies, procedures, rules, and regulations as the Board may deem necessary for the management of the Association (hereinafter the "Rules"). The Rules may concern, without limitation, use of Common Elements; water management; signs and parking restrictions; common collection and disposal of refuse; the provision of irrigation or utility service within the Subdivision; restrictions and limitations on use of Common Elements; minimum

standards of property maintenance consistent with the Declaration; guidelines, restrictions, and regulations for the review and approval of Improvements; and any other matters within the jurisdiction of the Association as provided in the Declaration.

(j) Budget. To prepare, no less frequently than annually, a budget of estimated expenses, costs, and fees related to or in connection with any obligations or activities undertaken by the Association or as otherwise permitted or required in the Declaration. Notwithstanding anything in these Bylaws to the contrary, the budget shall be adopted in the manner provided for in the Declaration.

(k) Administration. In general, to carry on the administration of the Association and to do all things necessary and responsible in order to carry out the intents and purposes of the Declaration.

5.3. Number of Directors. The number of Directors of the Association shall be, at least, three (3), except that the number of Directors may be increased or decreased from time to time by amendment to these Bylaws, provided that the number of Directors shall not be less than three (3), and no decrease in number shall have the effect of shortening the term of any incumbent director.

5.4. Qualifications of Directors. A Director must be an Owner of a Lot. If the Owner of a Lot is a partnership, corporation, limited liability company, trust, or other entity, a natural person who is an authorized agent (i.e., a partner of a partnership, an officer or director of a corporation, a member or manager of a limited liability company, a trustee or beneficiary of a trust, or a person in a similar capacity of any other entity) may be a Director. If an Owner conveys or transfers title to his Lot, or if a Director otherwise ceases to meet the requirements for qualification as stated above, such term as a Director shall immediately terminate and a new Director shall be elected and/or appointed in the manner provided for in these Bylaws to fill the vacancy created by such termination.

5.5. Election of Directors. The election of Directors shall occur at each Annual Meeting of the Members for each Director whose term has then expired.

5.6. Secret Ballot. Votes for contested positions on the Board shall be taken by secret ballot. At the discretion of the Board, or upon the request of 20% of the Members who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot.

5.7. Term of Office - Directors. The term of the Directors shall be staggered, three (3) year terms such that the terms of at least two (2) Directors shall expire each year. Directors shall continue in office until their successors have been elected by the Members, unless a Director resigns, is removed, or such Director's term of office terminates because he or she is no longer qualified to be a Director.

5.8. Removal of Directors. At any meeting of Members, the notice of which indicates such purpose, any Director may be removed, with or without cause, by a vote of 67% of the votes

of all of the Members. At any meeting where a Director is removed, the Members may determine to elect a successor in accordance with these Bylaws and the Rules. However, if the Members determine not to elect a successor, the Board of Directors must fill the vacancy in accordance with Section 5.10 of these Bylaws.

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

5.10. Vacancies in Directors. Any vacancy occurring on the Board of Directors shall, unless filled in accordance with Section 5.8 of these Bylaws or by election at a Special Meeting of Members, be filled by the affirmative vote of a majority of the remaining Directors, even if there is less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of such Director's predecessor in office. A vacancy to be filled by reason of an increase in the number of Directors shall be filled only by a vote of the Members.

5.11. 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 two (2) or more Directors and which, unless otherwise provided in such Resolution, shall have and exercise all the authority of the Board of Directors except such authority as may be exercised only by the Board of Directors pursuant to the Act, CCIOA, the Articles of Incorporation, the Declaration, or these Bylaws.

5.12. Other Committees of the Association. The Board of Directors, by Resolution adopted by a majority of the Board of Directors in office, may designate and appoint one (1) or more other committees of the Board of Directors, which may consist of or include Members or other persons who are not Directors, provided that all such committees shall have one (1) or more Directors as committee members. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee, except for such authority as can only be exercised by the Board of Directors.

5.13. 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, him, or her by law. All committee members shall serve at the pleasure of the Board. The provisions of these Bylaws with respect to notice of meetings, waiver of notice, quorum, adjournments, votes required, and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors. Any committee established by the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board as required by the Board.

ARTICLE VI 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, at such other place within or convenient to the Board of Directors, or by telephonic conference call or other electronic means as determined by the Board of Directors and as specified in the notice of meeting.

6.2. Annual Meeting of Directors. Annual Meetings of the Board of Directors may be held, without notice, immediately after and at the same place or by the same telephonic conference call or other electronic means as 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.

6.3. Other Regular Meetings of Directors. The Board of Directors shall hold regular meetings at least annually and may, by Resolution, establish in advance, the times and places for such regular meetings. No prior notice of regular meetings need be given after establishment of the times and places hereof 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 (2) members of the Board of Directors. The Person or Persons calling for the Special Meeting may elect that the Special Meeting be held by telephonic conference call or other electronic means, or the Person or Persons calling for the Special Meeting may fix the place, within Mesa County, Colorado, as the place for holding any Special Meeting of the Board of Directors. If the Persons or Persons calling for the Special Meeting elect to hold that meeting by telephonic conference call or other electronic means, the call-in, dial-in, or electronic link information for the meeting must be provided for in the notice for the meeting.

6.5. Notice of Board of Directors' Meetings. In the case of all meetings of Directors for which notice is required, a notice stating the place, day, and hour of the meeting shall be delivered not less than three (3) days nor more than thirty (30) days before the date of the meeting, by mail, facsimile, email, or personally, by or at the direction of the President or the Persons calling the meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

6.6. Proxies. For purposes of casting a vote for or against a particular proposal, a Director shall be deemed to be present at a meeting and to vote if the Director has granted a signed, written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Directors may not otherwise vote or otherwise act by proxy.

6.7. Quorum of Directors. A majority of the number of Directors fixed by these Bylaws shall constitute a quorum for the transaction of business.

6.8. Adjournment of Board 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 announcement at the meeting, for a total period or periods not to exceed thirty

(30) days after the date set forth for the original meeting. At any adjourned meeting which is held without notice other than announcement at the original 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. Purpose of Special Meeting. The notice of any Special Meeting shall state the date, time, and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice.

6.10. Vote Required at Board Meeting. At any meeting of Directors, if a quorum is present, a vote of a majority of the Directors present and entitled to cast a vote 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.

6.11. 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 the minutes of a preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.12. Officers at Meetings. The President shall act as Chairman and the Board of Directors shall determine the officer to act as Secretary at all meetings of Directors if the Secretary is not present.

6.13. Waiver of Notice. Any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as when taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting each Director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

6.14. Open Meetings. Except as provided in the Due Process Policy, all meetings of the Board of Directors shall be open to all Members. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding the issue. The Board may impose reasonable time restrictions on any Member that may speak and the number of persons who may speak on either side of an issue. Further, the rules of decorum and requirements of Paragraph 4.4, herein, are applicable to any such meeting.

6.15. Executive Session. The Board of Directors and any committee of the Board of Directors may adjourn a meeting and reconvene in executive session to discuss and vote upon matters pertaining to employees of the Association; negotiating Association contracts; the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association; consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; investigative proceedings concerning possible or actual criminal misconduct or a violation of the Declaration, these Bylaws, or the Association's Rules; matters subject to specific

constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; review of or discussion relating to any written or oral communication from legal counsel; or any other matter as otherwise permitted by the Act. Prior to convening an executive session, the general matter of the discussion to be considered in the executive session shall be announced in open session. The minutes of the meeting at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

6.16. Telephonic or Electronic Meetings. The Board of Directors shall permit any or all Directors to participate in a regular or Special Meeting by, or conduct the meeting through, the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting. A Director participating in the meeting by this means is deemed to be present at the meeting.

6.17. Action of Directors Without a Meeting. Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting, if a consent in writing, setting forth the action so taken is signed by a number of Directors which equals or exceeds the minimum number of Directors necessary to take action at a meeting at which all of the Directors then in office were present and voted, shall have the same force and effect as an action taken at a meeting of the Board of Directors. Any Director who has signed a written consent received by the Association shall have waived the right to demand that the action not be taken without a meeting.

ARTICLE VII. OFFICERS

7.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The Board of Directors may appoint such other officers, including one (1) or more Assistant Vice Presidents, Secretaries, or Treasurers, as it shall deem desirable. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties that are, from time to time, specifically conferred or imposed by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary or President and Treasurer may not be held by the same person.

7.2. Qualifications of Officers. An officer must be eighteen (18) years of age or older. An officer may be re-elected, and there shall be no limit on the number of terms that an officer may serve. The President and the Secretary must be members of the Board of Directors.

7.3. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors during a fiscal year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

7.4. Removal. Any officer may be removed by a majority vote of the Board of Directors, and at the sole discretion of the Board, and the removal of a Director who is also an officer shall automatically act as a removal from such Director's position as an officer.

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

7.6. President. The President shall be the chief executive officer of the Association and shall: (a) act as presiding officer at all meetings of the Members and the Board of Directors; (b) call Special Meetings of the Members and the Board of Directors; (c) sign all checks, contracts, promissory notes, leases, subleases, amendments to the Declaration, and other instruments on behalf of the Association, except those which the Board of Directors specifies may be signed by other persons; (d) perform all acts and duties usually required of a chief executive to ensure that all orders and resolutions of the Board of Directors are carried out; and (e) act as an ex-officio member of all committees of the Board of Directors and the Members.

7.7. Vice President. The Vice President, in the absence or disability of the President, shall exercise the powers and perform the duties of the President. The Vice President also shall assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board of Directors.

7.8. Secretary. The Secretary shall have the following duties and responsibilities: (a) attend all regular and Special Meetings of the Members and the Board of Directors and keep all records and minutes of proceedings thereof, or cause the same to be done by another the Secretary designates; (b) have custody of the corporate seal, if any, and affix the same when necessary or required; (c) attend to all correspondence on behalf of the Board of Directors and prepare and serve notice of meetings and keep membership books; and (d) have custody of the minute book of the meetings of the Board of Directors and the meetings of the Members and act as agent for the transfer of the corporate books.

7.9. Treasurer. The Treasurer shall: (a) receive money as shall be paid into his or her hands for the account of the Association and disburse funds as may be ordered by the Board of Directors, taking proper vouchers for disbursements and be custodian of all contracts, leases, and other important documents of the Association which he shall keep safely deposited; (b) supervise the keeping of accounts of all financial transactions of the Association in books belonging to the Association and deliver the books to his successor; (c) prepare and distribute to all of the members of the Board of Directors prior to each annual meeting and whenever else required a summary of the financial transactions and condition of the Association from the preceding year; and (d) make a full and accurate report on matters and business pertaining to his or her office to the Members and the Members at the Annual Meeting and make all reports required by law. The Treasurer may have the assistance of an accountant or auditor, who shall be employed by the Association.

7.10. Bonds. If required by law, the Association shall require, and in any event, the Association may obtain, fidelity bonds covering officers or other Persons handling funds of the Association.

7.11. Execution of Amendments to the Declaration. Any amendment to the Declaration which is approved in the manner provided for in the Declaration may be prepared, executed, certified, and recorded on behalf of the Association by the President, or such other officers of the Association as may be authorized by the Board of Directors.

ARTICLE VIII. INDEMNIFICATION OF OFFICIALS AND AGENTS

8.1. Certain Definitions. A "Corporate Official" shall mean any officer, Director, or member of a committee of the Board of the Association (including the Architectural Control Committee), and any former Director, officer, or member of a committee of the Board of the Association (including the Architectural Control Committee). A "Corporate Employee" shall mean any employee and any former employee of the Association. A "Corporate Official" and "Corporate Employee" shall include an officer, director, agent, or employee of the Association, provided such Persons are or were acting as a current or former Member, Director, officer, or employee of the Association.

8.2. Right of Indemnification. To the fullest extent permissible under the Act, the Association shall indemnify any Corporate Official and may, at the discretion of the Board of Directors (but in no way is it obligated to), indemnify any Corporate Employee against any and all expenses reasonably incurred by or imposed upon him or her in connection with, arising out of, or resulting from, any action, suit, or proceeding in which he or she may be involved or to which he or she is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his or her official capacity as a Corporate Official or Corporate Employee, or (b) any matter claimed against him or her solely by reason of his or her being a Corporate Official or Corporate Employee, which expenses shall include, without limitation, all legal fees and costs incurred, including expert witness fees from the time the claim is first asserted until resolved. The right of indemnification shall extend to all matters as to which a majority of disinterested Directors of the Association by resolution or independent legal counsel shall determine that the Corporate Official or Corporate Employee acted in good faith and (i) in the case of conduct in an official capacity of the Association, the Corporate Official or Corporate Employee had reason to believe that the conduct was in the best interests of the Association; (ii) in all other cases, that the conduct was, at least, not opposed to the Association's best interests; and (iii) in the case of any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The right of indemnification shall not extend to matters as to which the Corporate Official or Corporate Employee is finally adjudged to be liable to the Association, or in the case of any other proceeding, that the Corporate Official or Corporate Employee was adjudged liable on the basis that he or she derived an improper personal benefit, except to the extent a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The Association shall indemnify a Corporate Official or

Corporate Employee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the Corporate Official or Corporate Employee was a party because he or she was a Corporate Official or Corporate Employee against reasonable expenses incurred by such person in connection therewith. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

8.3. Advances of Expenses and Defense. The Association may advance expenses to, or where appropriate, may undertake the defense of any Corporate Official or Corporate Employee in an action, suit, or proceeding provided that the Corporate Official or Corporate Employee shall agree, in writing, to reimburse the Association for the expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that the Corporate Official or Corporate Employee is not entitled to indemnification under this Article or the Act.

8.4. Rights Not Exclusive. The right of indemnification provided for herein shall not be exclusive of other rights to which such Corporate Official or Corporate Employee may be entitled as a matter of law. The Association may indemnify any Corporate Official, Corporate Employee, or any other Person in any other manner now or hereafter permitted under the Act or any other applicable Law in effect at the time of the indemnification. To the extent the Act or any other applicable Law permits the authority to indemnify or the right to indemnification to a degree that is greater than that set forth herein, these Bylaws shall be deemed to extend the authority of the Board of Directors to indemnify, in its discretion, such Corporate Officials and Corporate Employees to the extent provided in the Act or such other applicable Law.

8.5. Directors and Officers Insurance. The Association may, in its discretion, purchase and maintain insurance on behalf of a Corporate Official or Corporate Employee against liability asserted against or incurred by such Corporate Official or Corporate Employee arising from that person's status as Corporate Official or Corporate Employee regardless of whether or not the Association would have the power to indemnify that person against the same liability pursuant to these Bylaws or the Declaration.

ARTICLE IX. NOTICE AND HEARING PROCEDURE

9.1. Right to Sanction. The Board of Directors shall have the right to impose a fine, suspend voting rights, or suspend any other rights of a Member, or to take any other action for violations of the Declaration, the Rules, or these Bylaws in the manner prescribed for in these Bylaws, the Declaration, and the Due Process Policy.

9.2. Right to Hearing. The Board of Directors will not impose a fine, suspend voting rights, or suspend any other rights of a Member for violations of the Declaration, the Rules, or these Bylaws unless and until the procedures set forth in this Article are followed or, if permitted, the Board of Directors commences an action in a court of law. However, if any alleged or purported violation of the Declaration, the Rules, or these Bylaws is causing immediate harm, injuries, and/or damage to the Common Elements or the Association's employees, contractors, agents, or Members (which includes the Member's family, invitees, licensees, or tenants), then the Association may issue a cease and desist letter, suspending the rights, with the exception of voting rights, of a

Member for a period of thirty (30) days or until the procedures of this Article are followed or, if permitted under the Due Process Policy and laws of Colorado, the Board commences an action in a court of law.

In addition, and in accordance with Paragraph 4.4, above, the Board may take any actions or impose any penalties as necessary to restore order, maintain decorum, or safely conduct any meeting. However, prior to paying any monetary fine or incurring the loss of any privileges or rights for violations of Paragraph 4.4, upon request, any Member shall be entitled to the Notice and Hearing processes set forth herein. Verbal notice at the meeting of the specific violation committed by the Member, and the penalty or sanction to be assessed, shall constitute sufficient notice of violation to the Member. In the event the Member demands a Hearing, the Board shall otherwise comply with the remaining sections of this Article.

9.3. Notice of Violation. Upon the occurrence of any alleged violation for which the Board of Directors desires to impose sanctions against the alleged violator (the "Respondent"), the Board, prior to imposing any sanction, shall give the Respondent written notice of the alleged violation ("Notice"), which Notice, at the option of the Board, shall be either be (a) a Notice of Violation and Right to Hearing (a "Notice of Hearing"), or (b) a Demand to Cease and Desist. Such Notice shall be in accordance with the Due Process Policy.

9.4. Cease and Desist Demand. If the Notice is a Demand to Cease and Desist as a result of an immediate harm, injury, and/or damage ("Emergency Circumstance") to the Common Elements or the Association's employees, contractors, agents, or Members (which includes the Member's family, invitees, licensees, or tenants), then the Notice shall specify the alleged violation and that Person receiving this Demand to Cease and Desist will have his, her, or its rights suspended, with the exception of voting rights, for a period of thirty (30) days or until a Hearing can be held, or if permitted, the Board commences an action in a court of law. If the Notice is a Demand to Cease and Desist for a matter that does not rise to the level of an Emergency Circumstance, the Notice shall specify: the alleged violation; the action required to abate the violation; and, if such violation is a continuing one, a time period of not less than ten (10) days during which the violation may be abated or cured without further sanction or, if the violation is not continuing, a statement that any additional similar violation may result in the imposition of a sanction after Notice and Hearing. If the violation continues past the period allowed in the Notice for abatement or cure without sanction or the same or a similar violation has allegedly occurred again, the Board may serve the Respondent with a written Notice of Hearing.

9.5. Notice of Hearing. A Notice of Hearing shall contain the following:

- (a) the nature of the alleged violation;
- (b) actions needed to cure the violation;
- (c) the date and time of the hearing ("Hearing"), which time will not be less than thirty (30) days from the giving of the Notice unless otherwise agreed to by the Respondent and the Association;

- (d) timelines for “fair and impartial fact-finding” to determine whether the violation was cured (per the timelines noted throughout this Policy);
- (e) the place of the Hearing, which will be in Mesa County, Colorado, unless another place is agreed to by the Respondent and the Association;
- (f) an invitation to attend the Hearing and produce any statement, evidence, and witness or witnesses on the Respondent's behalf; and
- (g) the proposed or type of sanction or sanctions that may be imposed.

Any written Notice given by mail shall be sent in English and the Member's preferred language by certified mail, return receipt requested, and sent to the last address of the Member and Member's Agent shown on the records of the Association, or in such other manner as provided for in the Declaration.

9.6. Hearing. If the violation is not cured, the Hearing will be held pursuant to the Notice, affording the Respondent a reasonable opportunity to be heard, orally or in writing, not less than five (5) days before the effective date of the proposed sanctions (except when the Respondent was sent a Demand to Cease and Desist for an Emergency Circumstance). Prior to the effectiveness of any sanction under these Bylaws, proof of Notice and the invitation to be heard will be placed in the minutes of the meeting of the Board of Directors. Such proof will be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery, is entered by the person who delivered the Notice. The notice requirement will be deemed satisfied if the Respondent appears at the Hearing. The Respondent may be represented by counsel. If the Hearing is conducted by the Board of Directors or a Hearing Committee, as defined below, then minutes will be taken at the Hearing, and the minutes of the Hearing will contain a written statement of the results of the Hearing and the sanction, if any, imposed. Written and oral evidence may be presented. The decision of the Board of Directors will be final.

9.7. Hearing Committee or Officer. The Board of Directors may, in its discretion, appoint a Hearing Committee as an alternative tribunal to hear the matter ("Hearing Committee"), or the Board of Directors may hire an impartial third party, including a professional arbitrator and/or mediator ("Hearing Officer"), to conduct the Hearing. A Hearing Committee shall be made up of at least three (3) persons whom the Board of Directors believes will be able to afford a fair and impartial Hearing. The Committee members may be, but need not be, Directors or Members. If a Hearing Committee or Hearing Officer is appointed, the same Notice and Hearing procedures will apply, and either Party may appeal the decision of the Hearing Committee or Hearing Officer to the Board of Directors by written notice (the "Appeal Notice") to the Hearing Committee, the other Party, and the Board of Directors, which notice must be given within fifteen (15) days following the decision of the Hearing Committee or Hearing Officer. The Board of Directors will consider the minutes of the Hearing, and review any evidence provided at the Hearing, and report its decision within a reasonable period of time, which will not exceed thirty (30) days after the receipt of the Appeal Notice. The decision of the Board will be final and non-appealable.

9.8. Hearing Procedures. The Board of Directors shall have the right to establish such Hearing rules and procedures as it deems appropriate. Further, the Hearing need not be conducted according to technical rules relating to evidence or witnesses, except the presenting party will provide copies of any written evidence to the other Party or Parties. The Hearing shall be open to all Members, and neither the Respondent nor any accusing Person need be in attendance. If a Hearing Committee or a Hearing Officer is appointed by the Board of Directors to conduct the Hearing, that Hearing Committee or Hearing Officer must follow the Hearing rules and procedures that have been established by the Board of Directors.

9.9. Costs and Attorney Fees. The prevailing party in any Hearing, whether it is conducted by the Board, Hearing Committee, or Hearing Officer, shall be entitled to recover all reasonable costs and attorney fees incurred by that Party in prosecuting or defending the claims at the Hearing. Additionally, the Association will have the right to recover, at the Board of Director's discretion, any of the attorney fees and costs the Association incurred for investigating and then issuing a Demand to Cease and Desist.

9.10. Nonpayment of Assessment. The Association's policy on collections for delinquent accounts, due process requirements, limitations on fines, fees, and assessments, and meetings for delinquent accounts is addressed in the Due Process Policy, Inc., which is attached and incorporated herein as Exhibit 1.

ARTICLE X. BOOKS AND RECORDS

10.1. Duty to Keep Records. The Association shall keep correct and complete books and records of accounts and shall keep at its principal office, a record of the names and addresses of its Members. The Association will provide, free of charge, copies of the Declaration, any Supplemental or Amended Declaration, the Articles of Incorporation, these Bylaws, any Rules, and any other Association documents, as required under CCIOA, to any Member free of charge. All books and records of the Association, including the Articles of Incorporation, these Bylaws, and minutes of meetings of Members and Directors may be inspected by any Member, or his authorized agent. The Association shall make copies of financial information available to the Owners in the manner required by the Act. See Due Process Policy for additional requirements.

10.2. Statement of Account. Upon the written request of any Member or its designee, or any Mortgagee or its designee, the Association shall furnish to such requesting Person a written statement setting forth the amount of any unpaid Assessments currently levied against such Owner's Lot. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and shall be binding on the Association, the Board of Directors, and every Owner. See Due Process Policy for additional requirements related to delinquent accounts.

10.3. Fiscal Year. The fiscal year of the Association shall begin on January 1st and end on December 31st, 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.

10.4. Annual Notice. So long as required by CCIOA, the Association shall provide all Owners the name of the Association; the name of the common interest community; the name of the Association's designated agent or management company, if any; and the date of Recording and the Recording information for the Declaration which Recording information shall include the reception number or book and page number for the Declaration. The Association will notify all Owners of the address and phone number of the Association and the designated agent or management company.

ARTICLE XI.

CONFLICT OF INTEREST POLICY FOR OFFICERS AND DIRECTORS

11.1. Definitions.

(a) "Conflicting Interest Transaction" means a contract, transaction, or other financial relationship between: (i) the Association and an officer or Director, or (ii) between the Association and a party related to an officer or Director, or (iii) between the Association and an entity in which a Director is an officer or director.

(b) "Officer" means, for purposes of this Article only, any person designated as an officer of the Association and any Person to whom the Board delegates responsibilities, including, without limitation, a managing agent, attorney, or accountant employed by the Board of Directors.

(c) "Director" means, for purposes of this Article only, any person serving on the Board of Directors of the Association.

11.2. Disclosure. Prior to discussion and vote on any transaction in which an officer or Director has or may have a conflicting interest, the officer or Director shall disclose any such conflict in an open meeting. The Director shall not take part in the discussion and shall leave the room, the conference call, or leave any other electronic means in which the meeting is being held during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members can ask the interested Board member to remain during any portion of the discussion and/or vote, provided that he or she does not vote or speak in favor of, or in opposition to, the matter being discussed.

11.3. Quorum. The interested Director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.

11.4. Approval of Transaction. The contract, Board of Director decision, or other Board of Director action must be approved by a majority of the disinterested Board members who are voting. No contract, Board of Director decision, or other Board of Director action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable and/or in the best interests of the Association.

11.5. Standard of Review. Notwithstanding anything herein to the contrary, and in accordance with the Colorado Revised Nonprofit Corporations Act, no conflicting interest transaction shall be set aside solely because an interested officer or Director is present at, participates in, or votes at a Board of Director or committee meeting that authorizes, approves, or ratifies the conflicting interest transaction if:

(a) the material facts as to the Director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Board of Directors or the committee, and the Board of Directors or committee, in good faith, authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested Directors, even if less than a quorum; or

(b) the material facts as to the Director's relationship or interest as to the conflicting interest transaction are disclosed or known to the Members entitled to vote on the transaction, if any, and the conflicting interest transaction is specifically authorized, approved, or ratified in, good faith, by a vote of the Members entitled to vote; and

(c) the conflicting interest transaction is fair to the Association.

11.6. Loans. No loans shall be made by the Association to its Directors or officers. 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 of the loan.

ARTICLE XII. MISCELLANEOUS

12.1. Amendment of Bylaws. The Members, at a meeting called for that purpose, may alter, amend, or repeal these Bylaws and adopt new Bylaws by sixty-seven percent (67%) of all of the votes of the Members, without regard to the total number of votes cast. The Board of Directors shall not have the power to alter, amend, or repeal these Bylaws, or to adopt new Bylaws. The Bylaws may not contain any provision for the regulation or management of the affairs of the Association that is inconsistent with Colorado law, the Declaration, or the Articles of Incorporation.

12.2. Compensation of Officers and Directors. No Director shall have the right to receive any compensation from the Association for serving as a Director, except for the reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Directors. Officers, agents, and employees of the Association may receive such reasonable compensation as may be approved of by the Board of Directors. Appointment of a Person as an officer, agent, or employee shall not, of itself, create any right to compensation.

12.3. Seal. The Board of Directors may, but shall not be required to, adopt a seal for the Association.

12.4. Limited Liability. As provided in the Declaration, the Association, the Board of Directors, the Architectural Control Committee, 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 that was in good faith and without malice.

12.5. Notice of Meetings. Any notice to be given under these Bylaws shall be given in writing, unless otherwise provided for in these Bylaws. Written notice may be given to a Member in any manner permitted by the Act. Written notice is effective as of the earliest date provided for in the Act.

12.6. Minutes and Presumptions Thereunder. Minutes or any similar record of 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.

12.7. Checks, Drafts and Documents. All checks, drafts, or other orders for payment of money, notes, or other evidence 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.

12.8. Execution of Documents. The Board of Directors, except as otherwise provided for in these Bylaws, 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.

12.9. Conflict Between Documents. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws or the Articles of Incorporation, the Declaration shall control.

12.10. Nonprofit Corporation. The Association is organized to be a not-for-profit corporation. No Member of the Association or Member of the Board of Directors shall receive or be lawfully entitled to receive any pecuniary profit from the operations of the Association. The foregoing shall neither prevent nor restrict reasonable compensation which may be paid to any Member or Director acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association or from any Member or Director from being reimbursed, from time to time, for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

12.11. Registration of Email and Mailing Address. All Owners of each Lot shall have one (1) email address and registered mailing address to be used by the Association for sending or mailing of notices, demands, and all other communications, including notices to Members. The registered email address or mailing address of an Owner or Owners shall be furnished by such Owners to the Secretary of the Association within five (5) days after transfer of title. The registration shall be in written form and signed by all Owners of the Lot whereby such Persons as

are authorized by law to represent the interest of all Owners thereof. If no such email or mailing address is registered, or if all of the Owners of a Lot cannot agree, then the mailing address for the Lot, as set forth in the records of the Mesa County, Colorado Assessor's Office, shall be the registered address for purposes of these Bylaws until another registered address is furnished as required under this Section. The registered email address and mailing address of the Owner of a Lot may be changed from time to time by written designation in accordance with this Section.

12.12. Agents Or Designated Contacts For Unit Owners. A unit owner may identify a designated contact ("agent") for notifications and contacts. Thereafter, all notice must go to the agent AND the unit owner.

12.13. Preferred Language. The Association is required to provide notifications to the unit owner in its preferred language if the unit owner notifies the agent of its preferred language. The Association need not follow the language preference of any agent but is recommended to do so if notified by the agent. Absent notification of language preferences, notifications will be in English.

CERTIFICATE OF PRESIDENT

I, James R. McCurter, do hereby certify:

1. I am the duly elected and acting President of the Aspen Valley Estates North Homeowners Association, Inc., a Colorado nonprofit corporation; and

2. The foregoing Bylaws constitute the Bylaws of the Association, which were duly adopted as of May 21st 2028.

By:

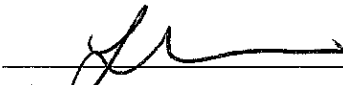

John Michael Quislan President.

EXHIBIT 1

POLICY REGARDING COLLECTIONS, DUE PROCESS, AND DELINQUENT ACCOUNTS OF THE ASPEN VALLEY ESTATES NORTH HOMEOWNERS ASSOCIATION, INC.

This Policy addresses:

1. Collections for delinquent accounts
2. Due process requirements for HOAs
3. Limitations on fines, fees, and assessments
4. Meetings for delinquent accounts

A party seeking to enforce rights and responsibilities related to disputes for assessments, fines, or fees from the Aspen Valley Estates North Homeowners Association, Inc. (the "Association") may file a claim in small claims court if the amount at issue does not exceed \$7,500, exclusive of interests and costs.

Agents Or Designated Contacts For Unit Owners

A unit owner may identify a designated contact ("agent") for notifications and contacts. Thereafter, all notice must go to the agent AND the unit owner.

Preferred Language

1. The Association is required to provide notifications to the unit owner in its preferred language if the unit owner notifies the agent of its preferred language.
2. The Association need not follow the language preference of any agent but is recommended to do so if notified by the agent.
3. Absent notification of language preferences, notifications will be in English.

Due Process Requirements

Before any assessments, fines, or fees may be assessed, the following procedures must be followed:

1. The unit owner must be notified by certified mail, return receipt requested, or by physically posting a copy of the notice at the unit owner's address.
2. The unit owner MUST ALSO be notified by one of the following:

- a. First-class mail;
 - b. Text message to the cellular number in the Association's file, or email to the email address in the Association's file.
 - i. When using text or e-mail, the unit owner must have voluntarily provided the information for the Association's file.
3. For purposes of this policy, any "contact" must be recorded as follows¹:
 - a. all types of contact MUST be recorded;
 - b. the records for all contacts should be maintained during occupancy and for ten years thereafter; and
 - c. the contact log must include:
 - i. the type of communication (e.g. phone, text, email, U.S. mail with details, written posting, or in-person);
 - ii. date of contact; and
 - iii. time of contact.
4. Fines shall not be assessed for alleged violations unless the following conditions exist:
 - a. The Association has an adopted written policy regarding fines that it follows; and
 - b. The policy:
 - i. requires notice of the alleged violation;
 - ii. requires notice of the action(s) needed to cure the violation;
 - iii. requires notice of the timelines for "fair and impartial fact-finding" to determine whether the violation was cured (per the timelines noted throughout this Policy);
 - iv. specifies the interval for fines (as stated throughout this Policy); and
 - v. requires notice of delinquency by certified mail, receipt requested, which must contain the provisions of Exhibit A attached.

Referrals To Collection Agencies Or Attorneys

1. A delinquent account may be referred to a collection agency or attorney only after the above requirements are met; and
 - a. A majority of the executive board votes to refer the matter; and
 - b. The vote is recorded at an executive or closed meeting.
2. A community association management or property management company is not permitted to make the referral unless the two actions above occur.

¹ Contact from an HOA is not considered contact by a "debt collector"

Limitations For Fines, Fees, And Assessments

1. Late fees shall not be imposed on a daily basis.
2. Late fees and fines for violations of governing documents that threaten public safety or health:
 - a. If the Association determines that a violation of governing documents reasonably “threatens the public safety or health,” then the Association must issue the unit owner written notice of the violation.
 - i. This notice must be in English AND the unit owner’s declared preferred language.
 - ii. This notice must provide a 72-hour cure period and state that a fine will be imposed if the violation is not cured within that time.
 - b. Fines against the unit owner can only occur after an inspection of the unit following the 72 hours shows that the violation has not been cured. Such fines are limited to every other day.
 - c. Legal action against the unit owner can only occur after an inspection of the unit following the 72 hours shows that the violation has not been cured.
3. Late fees and fines for violations of governing documents that do not threaten public safety or health:
 - a. The Association must issue a written notice of the violation by certified mail, return receipt requested, in English AND the unit owner’s declared preferred language.
 - b. The notice must identify the violation and provide a 30-day cure period.
 - c. The notice must state that if the violation is not cured within 30 days, then the Association may fine the unit owner.
 - d. Fines under this provision shall not exceed \$500.
 - e. Two consecutive 30-day cure periods must pass before the Association may take legal action.
4. The interest rate on unpaid assessments, fines, or fee shall not exceed 8% per year.
5. The Association shall not charge for or recover costs for providing statements to unit owners.
6. Assessments for common expenses cannot exceed an 8% interest rate of 8%.

7. Liens for fines, fees, charges, costs and attorney fees may be subject to a statutory lien but not a foreclosure action.
8. The Association is entitled to costs and reasonable attorney fees for a judgment or decree, unless the Association has not complied with the requirements stated in this Policy.
9. Payments made by a unit owner shall first be applied to assessments owed and then to the remaining balance for fines or fees.

Curing The Violation Within The Cure Period

1. If the unit owner provides notice and visual evidence that the violation has been cured, then it must be considered cured on the date the unit owner sent the notice. However, if there is no visual evidence of the cure with the notice, then the association must inspect the unit as soon as it is practicable.
2. If the Association does not receive notice of cure from the unit owner, then the association must inspect the unit within 7 days after the initial 30-day cure period expires.
3. After inspection or notice with visual evidence, if the Association determines that the violation has not been cured, then
 - a. a second 30-day cure period will commence; or
 - b. if two consecutive 30-day cure periods have elapsed, then the association may take legal action.
4. Once the violation is cured, the Association must notify the unit owner in English AND the unit owner's declared preferred language of the following:
 - a. The unit owner will not be fined any further as it relates to that violation, and
 - b. the outstanding balance the unit owner has for fines.

Outstanding Balances For Fines

1. On a monthly basis, the Association must send the unit owner AND its agent an itemized list of all fines, fees, assessments, and charges due.
 - a. This must be sent by e-mail, when applicable, AND first-class mail.
 - b. The statement must be in English and the unit owner's declared preferred language.

Foreclosure Actions

A foreclosure action shall not be commenced until the following occur:

1. The Association has complied with this Policy;

2. The Association has made a good-faith effort to coordinate a payment plan unless i) the unit owner does not occupy the unit and has acquired the property as a result of default of an encumbering security interest or foreclosure of the Association's lien, or ii) the unit owner was already under a payment plan; and
3. Within 30-days of offering the unit owner a payment plan, the unit owner either declined the plan or accepted the plan but failed make at least three payments within a 15-day grace-period.

A payment plan must allow the unit owner to pay off the delinquency over a period of at least eighteen months and allow the unit owner to choose the monthly payment amount as long as that amount is at least \$25 per month. A unit owner's failure to comply with the payment plan or timely pay current assessments during the payment plan period will constitute failure to comply with the payment plan. Thus, legal action may be pursued.

Under no circumstances can the Association foreclose on an assessment lien if the debt securing the lien only consists of HOA fines or collection costs and attorney fees associated with assessed fines.

Members of the executive board, employees of a community association management company representing the association, an employee of a law firm representing the Association, or an immediate family member of any of the above shall not purchase the foreclosed unit.

A unit owner has five years to file a civil suit for violation of these foreclosure policies.

Meetings

Any meeting regarding a unit owner and referral of delinquency shall be an executive or closed meeting. The subject unit owner of a disciplinary hearing or delinquency referral may request and receive the results of any votes taken at that meeting.

Policy Application

This Policy applies to the Association and any holder or assignee of the Association's debt. The holder or assignee must have adopted the same written policies before it may use a collection agency or take legal action.

This policy reflects updates to C.R.S. §§ 38-33.3-209.5, 38-33.3-308, 38-33.3-315, 38-33.3-316, and 38-33.3-316.3.

EXHIBIT A
Delinquency Notices

A notice of delinquency that the Association sends to a Unit owner for unpaid assessments, fines, fees, or charges must:

- (a) be written in English and in any language that the unit owner has indicated a preference for correspondence and notices;
- (b) specify whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the unit owner that unpaid assessments may lead to foreclosure;
- (c) include:
 - (i) a description of the steps the Association must take before the association may take legal action against the unit owner, including a description of the association's cure process established in accordance with this Policy; and
 - (ii) a description of what legal action the Association may take against the unit owner, including a description of the types of matters that the association or unit owner may take to small claims court, including injunctive matters for which the association seeks an order requiring the unit owner to comply with the declaration, bylaws, covenants, or other governing documents of the association; and
- (d) notify the unit owner of any unpaid assessments, fines, fees, or charges that the unit owner owes the Association.