BYLAWS

OF

MOONRIDGE FALLS HOMEOWNERS ASSOCIATION

ARTICLE I

Members

Section 1. Annual Meetings. The annual meeting of the members shall be held in the last week of November or the first week of December for the purpose of the election of directors to serve for the ensuing year and for the transaction of such other business as may lawfully come before the meeting.

Section 2. Special Meetings. Special meetings of the members may be called from time to time by the president or a majority of the board of directors, and shall be called by the president at the request of no fewer than 20% of the members, such request to be delivered to the secretary.

Section 3. Place of Meeting. The board of directors may designate any place, within the County of Mesa in the State of Colorado, as the place of meeting for any annual or special meeting of the members; except, however, a special meeting called at the request of the percentage of members specified in Section 2 above shall be at a location in Mesa County specified in such request. If no place is designated by the directors or by the request, the meeting shall be at the principal office of the corporation in the State of Colorado.

Section 4. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 10 nor more than 30 days before the date of the meeting, either personally or by mail, by or at the direction of the president or the secretary, to each member. 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 books of the corporation, postage prepaid. If any member meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place if the new date, time, and place are announced at the meeting before adjournment. A member may waive notice of any meeting (or any other notice

required by law, the Articles of Incorporation, or these Bylaws) by a writing signed by the member entitled to notice which is delivered to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records. A member's attendance at a meeting:

a. Waives objection to lack of notice or defective notice of the meeting, unless the member, at the beginning of the meeting, objects to holding the meeting on the basis of lack of notice or defective notice,
b. Waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the member objects to considering the matter when it is first presented.

Section 5. Quorum and Voting. Twenty percent (20%) of the members entitled to vote, in person or by proxy, at any meeting of the members shall constitute a quorum and, upon failure of a quorum, an adjournment may be taken by the vote of a majority of the members present for a period not to exceed thirty (30) days at any one adjournment. If a quorum exists, action on a matter shall be approved if the votes cast by the members present at the meeting which favor an action exceed the votes cast in opposition to the action unless a greater number of votes are required by law or the Articles of Incorporation. Each member entitled to vote shall have one vote on each matter.

Section 6. Proxy. Members are entitled to vote at any annual or special members meeting in person or by proxy, in writing and properly signed by the member or his duly authorized attorney-in-fact. Proxies shall be filed with the secretary before or at the time of the meeting. No proxy shall be valid unless dated within 11 months of the meeting, unless expressly provided otherwise in the proxy.

Section 7. Order of Business. The order of business at annual meetings of members and, insofar as practicable at all other meetings of the members, shall be as follows:

a. Call of the roll of members,
b. Proof of notice of meeting or executed waiver,
c. Reading of minutes of last meeting,
d. Reports of officers and committees,
e. Election of directors,
f. Unfinished business,
g. New business,

h. Miscellaneous business.

Section 8. Informal Action by Members. Any action required or permitted to be taken at a meeting may be taken without a meeting if one or more consents in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter of the consent(s) and are delivered to the corporation for inclusion in the minute book. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 9. Membership. Those persons and entitles specified by the Articles and Declaration shall be members of the corporation.

II

Board of Directors

Section 1. Powers and Duties. The business and the property of the corporation shall be controlled and managed by the board of directors, except as otherwise expressly provided by: (a) the Articles of Incorporation; (b) the Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Moonridge Falls Subdivision ("Amended Declaration") effective December 1, 2000, (c) the Colorado Nonprofit Corporation Act; or (d) the Colorado Common Interest Ownership Act ("CCIOA").

1.1 By way of example and not limitation, the board of directors shall have the power to employ independent contractors and employees as the board deems necessary.
1.2 In addition, the duties of the board of directors shall include, for example, to:

a. Cause to be kept a complete record of all its acts and corporate affairs;

b. Supervise all officers, and any agents and employees, of the corporation, and to see that their duties are properly performed;

c. As more fully provided in Article VI of these Bylaws, the Declaration, and CCIOA to:

(i) Fix the amount of the annual budget and annual assessment against each Lot in the Subdivision at

least 30 days in advance of each annual assessment period;

(ii) Cause delivery of all required notices relative to budgets and assessments; and,

(iii) Collect assessments which are not paid when due as provided in the Declaration or otherwise allowed by law;

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

e. Obtain and maintain insurance as required by the CCIOA (codified on the date of adoption of these Bylaws at § 38-33.3-313, C.R.S.);

f. Cause all officers, employees, or agents having fiscal responsibilities to be bonded, as the board of directors may deem appropriate and as required by law;

g. Cause all property owned or used by the corporation to be properly maintained.

1.3 Any of the powers specified in subsection 1.2 and day-to-day operations of the Association may be delegated by the board of directors to a managing agent.

1.4 The president, vice-president, or secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the corporation.

Section 2. Number and Term. Subject to the provisions of the Articles of Incorporation, each director shall serve for the period of one year next succeeding his election and until the election and qualification of his successor, unless sooner removed from office. The number of directors shall be at least three (3). Directors shall be elected by ballot and members may not cumulate their votes.

Section 3. Vacancies. Except as otherwise expressly provided in the Articles of Incorporation, any vacancy in the board of directors for any reason shall be filled by the affirmative vote of a majority of the remaining directors, even though less than

a quorum. A director elected or appointed to fill a vacancy shall serve the remainder of the unexpired term of his predecessor.

Section 4. Removal. At a meeting called expressly for that purpose, the entire board of directors or any lesser number may be removed, with or without cause, by a vote of two-thirds of the members then entitled to vote at an election of officers.

Section 5. Regular Meetings of Directors. A regular meeting of the board of directors shall be held immediately following the annual meeting of the members. The board of directors may provide, by resolution, for additional regular meetings without other notice than such resolution.

Section 6. Special Meetings. Special meetings of the board of directors shall be held whenever called by the president of the corporation or by a majority of the directors, but no business shall be considered or transacted at such meeting except as set forth in the notice of such meeting.

Section 7. Place of Meetings. Unless specified otherwise in a resolution pursuant to Section 4, or unless notice shall be given as hereinafter provided, all meetings of the board of directors, whether regular or special, shall be held at the hour of 7:00 PM at the principal office of the corporation. One or more members of the board of directors may participate in any meeting of the board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 8. Notice of Meetings. Regular meetings of the board of directors, as provided in Section 4 above, shall require no further notice than that provided by these Bylaws. Special meetings or regular meetings at a time or place other than as provided in Section 6 above, shall be held only after delivering, at least five days in advance of such meeting to each director personally or mailing to each director at the director's last known address; a written or printed notice of such meeting; giving the time; place; and, in case of special meetings, the purpose or purposes of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in

the United States mail, properly addressed and postage prepaid. Any director may waive notice of any meeting. Such waiver must be in writing, signed by the director, and filed with the minutes or corporate records.

Section 9. Quorum and Manner of Action. A majority of the directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors. Directors may participate in a meeting telephonically.

Section 10. Election of Officers. At the first meeting of the board of directors after the annual members meeting, the president, vice-president, secretary, and treasurer shall be elected to serve for the ensuing year, and until their successors are duly elected and qualified. Election shall be by ballot and a majority of the votes cast shall be necessary to elect. One person may hold more than one office provided, however, the same person may not hold concurrently the offices of president and secretary.

Section 11. Compensation of Directors. No director shall receive compensation for his attendance at meetings of the board of directors. However, upon a vote of the directors, a director may be reimbursed for actual expenses incurred in performance of the director's duties. The compensation allowed to directors shall be changed only by action of the members. This Bylaw may only be amended by the members.

Section 12. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken w1less his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 13. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors

entitled to vote with respect to the subject matter of the consent. Such consent shall have the same force and effect as a unanimous vote of the directors and may be stated as such in any articles or document filed with the Secretary of the State of Colorado under the Colorado Nonprofit Corporation Code.

Section 14. Committees. The board of directors may appoint and determine the duties of such committees as the directors deem appropriate to assist the directors in carrying out their duties. Committee members need not be directors, officers, or members. No committee member shall be compensated for committee service.

ARTICLE III

Officers

Section 1. General. The officers of the corporation shall be a president, a vice-president, a secretary, and a treasurer. All officers shall be members of the corporation. The board of directors may elect or appoint such additional officers as they may consider necessary, who shall hold their offices for such terms and have such authority and duties as from time to time they may be determined by the board of directors. The salaries, if any, of the officers of the corporation shall be fixed by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any, officer, agent, or employee are not prescribed by the Bylaws or by the board of directors, such officer, agent, or employee shall follow the orders and instructions of the president.

Section 2. Tenure. The officers of the corporation shall be elected by ballot by the board of directors annually at the first meeting of the board held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until the first of the following to occur: his successor is duly elected and qualified; his death; his resignation; or until he bas been removed in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed by the affirmative vote of the board of directors at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election

or appointment of an officer or agent shall not, in and of itself, create a contractual right.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

Section 5. President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents, and employees. The president shall present a report of the general conduct and transactions of the company at the annual members meeting. The president shall, unless otherwise directed by the board of directors, attend in person or by substitute appointed by the president, or shall execute on behalf of the corporation written instruments appointing a proxy or proxies to represent the corporation at all meetings of the stockholders of any other corporation in which the corporation shall hold any stock. The president may, on behalf of the corporation, in person or by substitute or proxy, vote the stock so held by the corporation and may execute written consents and other instruments with respect to such stock, and may exercise any and all rights and powers incident to the ownership of said stock subject however, to the instructions, if any, of the board of directors. The president shall have custody of the treasurer's bond, if any.

Section 6. Vice-President. The vice-president shall perform all the duties and obligations of the president when the president is unable to act due to a vacancy in the office, absence, or illness. If there is more than one vice-president, they shall be entitled to act in the order of their election.

Section 7. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the members and the board of directors; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporation records and of the seal of the corporation and affix the seal to all documents when authorized by the board of directors; (d) keep at its registered office, or principal place of business within or outside Colorado, a record containing the names and addresses of all members; and (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the board of directors.

Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Section 8. Treasurer. The treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all the funds, securities, evidences of indebtedness, and other personal property of the corporation and shall deposit the same in accordance with the instructions of the board of directors. The treasurer shall be required to keep written books and accounts showing all receipts and expenditures of the company. The treasurer shall perform all other duties incident to the office of treasurer and, upon request of the board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the board, give the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of the treasurer's duties and for the restoration to the corporation of all books, papers, vouchers, money, and other property of whatever kind in treasurer's possession of under treasurer's control belonging to the corporation. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer. In the event no office of comptroller shall be established, then the treasurer shall also prepare and maintain an adequate system of internal audit, and prepare and furnish to the president and the board of directors statements of account showing the financial position of the company and the results of its operations.

ARTICLE IV

Amendment of Bylaws

The board of directors shall have the power to make, amend, and repeal the Bylaws of the corporation at any regular meeting of the board or at any special meeting called for that purpose, unless a bylaw states it cannot be amended by the board of directors; then such Bylaw can only be amended by the vote of two-thirds of the members.

ARTICLE V

Miscellaneous

Section 1. The board of directors may provide a corporate seal which may be circular in form and contain the name of the corporation and the words "Colorado Seal."

Section 2. Office. The principal office of the corporation shall be located at the home of the president. The corporation may have such other offices, within the County of Mesa or the State of Colorado, as the board of directors may designate or as the business of the corporation may require from time to time.

Section 3. Conflict with Declaration. In case of conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

ARTICLE VI

Budgets

Section 1. Books and Records. The board of directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles. All books, records, and papers of the corporation shall be available for inspection and copying by any member or member's representative during regular business hours at the principal office of the corporation. The board of directors may establish reasonable rules concerning notice to be given the custodian of the records by anyone desiring to inspect them, and payment of costs of reproducing any documents requested by any member.

Section 2. Annual Budget. The board of directors shall cause to be prepared no less than annually an operating budget, balance sheet, and cash flow statement for the corporation.

Section 3. Delivery of Budget. Within ten (10) days after adoption of any proposed budget, the board of directors shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all members and shall set a date for a meeting of the members to consider ratification of the budget not less than fourteen (14) nor more than thirty (30) days after mailing or other delivery of the summary.

Section 4. Ratification of Budget. Unless at that meeting a majority of all members reject the budget, the budget is ratified, whether or not a quorum is present.

Section 5. Rejection of Budget. In the event that the proposed budget is rejected, the present budget last ratified by the members must be continued until such time as the members ratify a subsequent budget proposed by the board of directors.

Section 6. Reserve Fund. As part of each annual budget, the board of directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of any personal property, fixtures, and improvements required to be operated or maintained by the corporation based upon age, remaining life, replacement cost, and any other relevant factors.

ARTICLE VII

Fidelity Bonds

Section 1. Corporate Employees. If any corporation employee controls or disburses corporation funds, the corporation must obtain and maintain, to the extent reasonably available, fidelity insurance in at least an aggregate amount not less than two months of current assessments plus reserve calculated from the then-current budget of the corporation.

Section 2. Independent Contractors. Any person employed as an independent contractor by the corporation for the purposes of managing the corporation must obtain and maintain fidelity insurance in that same amount unless the corporation names such a person as an insured employee in a contract of fidelity insurance described in Section 1 above.

Section 3. Additional Coverage. The corporation may carry or require of an independent contractor employed to manage the corporation fidelity insurance coverage in an amount greater than that specified in this section.

THESE AMENDED BYLAWS TO BE EFFECTIVE DECEMBER 1, 2000.

F:Moonridge/MFBylaws

BYLAWS

OF

MOONRIDGE FALLS HOMEOWNERS ASSOCIATION

ARTICLE I.
Members

Section 1. Annual Meetings. The annual meeting of the members shall be held ~~on the first Monday in May in each year at the hour of 5:00 p.m.~~ in the last week of November or the first week of December in each year upon notice to the members for the purpose of the election of directors to serve for the ensuing year and for the transaction of such other business as may lawfully come before the meeting.

Section 2. Special Meetings. Special meetings of the members may be called from time to time by the president or a majority of the board of directors, and shall be called by the president at the request of no fewer than 20% of the members, such request to be delivered to the secretary.

Added

Section 3. Place of Meeting. The board of directors may designate any place, within ~~or~~ ~~without~~ the County of Mesa in the State of Colorado, as the place of meeting for any annual or special meeting of the members; except, however, a special meeting called at the request of the percentage of members specified in Section 2 above shall be at a location in Colorado specified in such request. If no place is designated by the directors or by the request, the meeting shall be at the registered office of the corporation in the State of Colorado.

Shortened time period

Section 4. Notice of Meetings. Written notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than 7 ~~10~~ nor more than 30 ~~50~~ days before the date of the meeting, either personally or by mail, by or at the direction of the president or the secretary, to each member. 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 books of the corporation, postage prepaid. If any member meeting is adjourned to a different date, time, or place, notice need not be given of the new date, time, and place if the new date, time, and place is announced at the meeting before adjournment. A member may waive notice of any meeting (or any other notice required by law, the Articles of Incorporation, or these Bylaws) by a writing signed by the member entitled to notice which is delivered to the corporation (either before or after the date and time stated in the notice) for inclusion in the minutes or filing with the corporate records. A member's attendance at a meeting:

a. Waives objection to lack of notice or defective notice of the meeting, unless the member, at the beginning of the meeting, objects to holding the meeting on the basis of lack of notice or defective notice;

b. Waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the member objects to considering the matter when it is first presented.

Changed to gree with Declaration f CC&Rs

Section 5. Quorum and Voting. Twenty~~Five~~ percent (~~25%~~ 20%) of the members entitled to vote, in person or by proxy, at any meeting of the members shall constitute a quorum and, upon failure of a quorum, an adjournment may be taken by the vote of a majority of the members present for a period not to to exceed thirty (30) days at any one adjournment. If a quorum exists, action on a matter shall be approved if the votes cast by the members present at the meeting which favor an action exceed the votes cast in opposition to the action, unless a greater number of votes is required by law or the Articles of Incorporation. Each member entitled to vote shall have one vote on each matter.

Section 6. Proxy. Members are entitled to vote at any annual or special members meeting in person or by proxy, in writing and properly signed by the member or his duly authorized attorney-in-fact. Proxies shall be filed with the secretary before or at the time of the meeting. No proxy shall be valid unless dated within 11 months of the meeting, unless expressly provided otherwise in the proxy.

Section 7. Order of Business. The order of business at annual meetings of members and, insofar as practicable at all other meetings of the members, shall be as follows:

a. Call of the roll of members;
b. Proof of notice of meeting or executed waiver;
c. Reading of minutes of last meeting;
d. Reports of officers and committees;
e. Election of directors;
f. Unfinished business;
g. New business;
h. Miscellaneous business.

Section 8. Informal Action by Members. Any action required or permitted to be taken at a meeting may be taken without a meeting if one or more consents in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter of the consent(s) and are delivered to the corporation for inclusion in the minute book. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 9. Membership. Those persons and entitles specified by the Articles and Declaration shall be members of the corporation.

Amended and Restated

II.

Board of Directors

effective Dec. 1, 2008

Section 1. Powers and Duties. The business and the property of the corporation shall be controlled and managed by the board of directors, except as otherwise expressly provided by: (a) the Articles of Incorporation; (b) the Declaration of Covenants, Conditions, and Restrictions for Moonridge Falls Subdivision ("Declaration") ~~recorded in Book 2020 at Page 408 of the Mesa County records~~; (c) the Colorado Nonprofit Corporation Act; or (d) the Colorado Common Interest Ownership Act ("CCIOA").

New Declaration

1.1 By way of example and not limitation, the board of directors shall have the power to employ independent contractors and employees as the board deems necessary.

1.2 In addition, the duties of the board of directors shall include, for example, to:

a. Cause to be kept a complete record of all its acts and corporate affairs;

b. Supervise all officers, and any agents and employees, of the corporation, and to see that their duties are properly performed;

c. As more fully provided in Article VI of these Bylaws, the Declaration, and CCIOA to:

(i) Fix the amount of the annual budget and annual assessment against each Lot in the Subdivision at least 30 days in advance of each annual assessment period;

(ii) Cause delivery of all required notices relative to budgets and assessments; and,

(iii) Collect assessments which are not paid when due as provided in the Declaration or otherwise allowed by law;

d. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

e. Obtain and maintain insurance as required by the CCIOA (codified on the date of adoption of these Bylaws at § 38-33.3-313, C.R.S.);

f. Cause all officers, employees, or agents having fiscal responsibilities to be bonded, as the board of directors may deem appropriate and as required by law;

g. Cause all property owned or used by the corporation to be properly maintained.

1.3 Any of the powers specified in subsection 1.2 and day-to-day operations of the Association may be delegated by the board of directors to a managing agent.

1.4 The president, vice-president, or secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the corporation.

Change to agree with Declaration and amendment to BY LAWS

Section 2. Number and Term. Subject to the provisions of the Articles of Incorporation, each director shall serve for the period of one year next succeeding his election and until the election and qualification of his successor, unless sooner removed from office. The number of directors shall be at least three (3). Directors shall be elected by ballot and members may not cumulate their votes.

Section 3. Vacancies. Except as otherwise expressly provided in the Articles of Incorporation, any vacancy in the board of directors for any reason shall be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum. A director elected or appointed to fill a vacancy shall serve the remainder of the unexpired term of his predecessor.

Section 4. Removal. At a meeting called expressly for that purpose, the entire board of directors or any lesser number may be removed, with or without cause, by a vote of two-thirds of the members then entitled to vote at an election of officers.

Section 5. Regular Meetings of Directors. Regular meetings of the board of directors shall be held immediately following the annual meeting of the members. The board of directors may provide, by resolution, for additional regular meetings without other notice than such resolution.

Section 6. Special Meetings. Special meetings of the board of directors shall be held whenever called by the president of the corporation or by a majority of the directors, but no business shall be considered or transacted at such meeting except as set forth in the notice of such meeting.

Section 7. Place of Meetings. Unless specified otherwise in a resolution pursuant to Section 4, or unless notice shall be given as hereinafter provided, all meetings of the board of directors, whether regular or special, shall be held at the hour of 7:00 p.m. at the ~~registered~~ principal office of the corporation. One or more members of the board of directors may participate in any meeting of the board by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 8. Notice of Meetings. Regular meetings of the board of directors, as provided in Section 4 above, shall require no further notice than that provided by these Bylaws. Special meetings or regular meetings at a time or place other than as provided in Section 6 above, shall be held only after delivering, at least five days in advance of such meeting to each director personally or mailing to each director at the director's last known address, a written or printed notice of such meeting, giving the time, place, and, in case of special meetings, the purpose or purposes of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, properly addressed and postage prepaid. Any director may waive notice of any meeting. Such waiver must be in writing, signed by the director, and filed with the minutes or corporate records.

Section 9. Quorum and Manner of Action. A majority of the directors shall constitute a quorum for the transaction of business. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors. Directors may participate in a meeting telephonically.

Section 10. Election of Officers. At the first meeting of the board of directors after the annual members meeting, the president, vice-president, secretary, and treasurer shall be elected to serve for the ensuing year, and until their successors are duly elected and qualified. Election shall be by ballot and a majority of the votes cast shall be necessary to elect. One person may hold more than one office; provided, however, the same person may not hold concurrently the offices of president and secretary.

Section 11. Compensation of Directors. No director shall receive compensation for his attendance at meetings of the board of directors. However, upon a vote of the directors, a director may be reimbursed for actual expenses incurred in performance of the director's duties. The compensation allowed to directors shall be changed only by action of the members. This Bylaw may only be amended by the members.

Section 12. Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 13. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the directors entitled to vote with respect to the subject matter of the consent. Such consent shall have the same force and effect as a unanimous vote of the directors and may be stated as such in any articles or document filed with the Secretary of the State of Colorado under the Colorado Nonprofit Corporation Code.

Section 14. Committees. The board of directors may appoint and determine the duties of such committees as the directors deem appropriate to assist the directors in carrying out their duties. Committee members need not be directors, officers, or members. No committee member shall be compensated for committee service.

ARTICLE III.
Officers

Section 1. General. The officers of the corporation shall be a president, a vice-president, a secretary, and a treasurer. All officers shall be members of the corporation. The board of directors may elect or appoint such additional officers as they may consider necessary, who shall hold their offices for such terms and have such authority and duties as from time to time they may be determined by the board of directors. The salaries, if any, of the officers of the corporation shall be fixed by the board of directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent, or employee are not prescribed by the Bylaws or by the board of directors, such officer, agent, or employee shall follow the orders and instructions of the president.

Section 2. Tenure. The officers of the corporation shall be elected by ballot by the board of directors annually at the first meeting of the board held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each officer shall hold office until the first of the following to occur: his successor is duly elected and qualified; his death; his resignation; or until he has been removed in the manner hereinafter provided.

Section 3. Removal. Any officers may be removed by the affirmative vote of the board of directors at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not, in and of itself, create a contractual right.

Section 4. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

Section 5. President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents, and employees. The president shall present a report of the general conduct and transactions of the company at the annual members meeting. The president shall, unless otherwise directed by the board of directors, attend in person or by substitute appointed by the president, or shall execute on behalf of the corporation written instruments appointing a proxy or proxies to represent the corporation at all meetings of the stockholders of any other corporation in which the corporation shall hold any stock. The president may, on behalf of the corporation, in person or by substitute or proxy, vote the stock so held by the corporation and may execute written consents and other instruments with respect to such stock, and

may exercise any and all rights and powers incident to the ownership of said stock, subject, however, to the instructions, if any, of the board of directors. The president shall have custody of the treasurer's bond, if any.

Section 6. Vice-President. The vice-president shall perform all the duties and obligations of the president when the president is unable to act due to a vacancy in the office, absence, or illness. If there is more than one vice-president, they shall be entitled to act in the order of their election.

Section 7. Secretary. The secretary shall: (a) keep the minutes of the proceedings of the members and the board of directors; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporation records and of the seal of the corporation and affix the seal to all documents when authorized by the board of directors; (d) keep at its registered office, or principal place of business within or outside Colorado, a record containing the names and addresses of all members; and (e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the board of directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

Section 8. Treasurer. The treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all the funds, securities, evidences of indebtedness, and other personal property of the corporation and shall deposit the same in accordance with the instructions of the board of directors. The treasurer shall be required to keep written books and accounts showing all receipts and expenditures of the company. The treasurer shall perform all other duties incident to the office of treasurer and, upon request of the board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the board, give the corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of the treasurer's duties and for the restoration to the corporation of all books, papers, vouchers, money, and other property of whatever kind in treasurer's possession of under treasurer's control belonging to the corporation. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer. In the event no office of comptroller shall be established, then the treasurer shall also prepare and maintain an adequate system of internal audit, and prepare and furnish to the president and the board of directors statements of account showing the financial position of the company and the results of its operations.

ARTICLE IV.
Amendment of Bylaws

Clarification The board of directors shall have the power to make, amend, and repeal the Bylaws of the corporation at any regular meeting of the board or at any special meeting called for that purpose, unless a bylaw states it cannot be amended by the board of directors. ~~By~~ Then, such bylaw can only be amended by the vote of two-thirds of the members.

ARTICLE V.
Miscellaneous

Section 1. Seal. The board of directors may provide a corporate seal which may be circular in form and contain the name of the corporation and the words "Colorado Seal."

Section 2. Offices. The principal office of the corporation shall be located at the home of the President ~~677 25½ Road, Grand Junction, CO 81505~~. The corporation may have such other offices, either within the County of Mesa in ~~or outside~~ the State of Colorado, as the board of directors may designate or as the business of the corporation may require from time to time.

Section 3. Conflict with Declaration. In case of conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

ARTICLE VI.
Budgets

Section 1. Books and Records. The board of directors shall cause to be maintained a full set of books and records showing the financial condition of the affairs of the Association in a manner consistent with generally accepted accounting principles. All books, records, and papers of the corporation shall be available for inspection and copying by any member or member's representative during regular business hours at the principal office of the corporation. The board of directors may establish reasonable rules concerning notice to be given the custodian of the records by anyone desiring to inspect them, and payment of costs of reproducing any documents requested by any member.

Section 2. Annual Budget. The board of directors shall cause to be prepared no less than annually an operating budget, balance sheet, and cash flow statement for the corporation.

Time was too long

Section 3. Delivery of Budget. Within ~~thirty (30)~~ ten 10 days after adoption of any proposed budget, the board of directors shall mail, by ordinary first class mail, or otherwise deliver a summary of the budget to all members and shall set a date for a meeting of the members to consider ratification of the budget not less than fourteen (14) nor more than ~~sixty (60)~~ thirty (30) days after mailing or other delivery of the summary.

Section 4. Ratification of Budget. Unless at that meeting a majority of all members of any larger percentage specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present.

Section 5. Rejection of Budget. In the event that the proposed budget is rejected, the present budget last ratified by the members must be continued until such time as the members ratify a subsequent budget proposed by the board of directors.

Section 6. Reserve Fund. As part of each annual budget, the board of directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of any personal property, fixtures, and improvements required to be operated or maintained by the corporation based upon age, remaining life, replacement cost, and any other relevant factors.

ARTICLE VII.
Fidelity Bonds

Section 1. Corporate Employees. If any corporation employee controls or disburses corporation funds, the corporation must obtain and maintain, to the extent reasonably available, fidelity insurance in at least an aggregate amount not less than two months of current assessments plus reserve calculated from the then-current budget of the corporation.

Section 2. Independent Contractors. Any person employed as an independent contractor by the corporation for the purposes of managing the corporation must obtain and maintain fidelity insurance in that same amount unless the corporation names such a person as an insured employee in a contract of fidelity insurance described in Section 1 above.

Section 3. Additional Coverage. The corporation may carry or require of an independent contractor employed to manage the corporation fidelity insurance coverage in an amount greater than that specified in this section.

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