

BYLAWS OF
PINE SPRING RANCH PROPERTY OWNERS' ASSOCIATION, INC.

ARTICLE I

Section 1. **Bylaws Applicability.** The provisions of these bylaws are applicable to the subdivision known as pine Spring Ranch subdivision. The term "project" as used herein shall include the land described on Exhibit A attached hereto and incorporated herein by this reference.

Section 2. **Personal Application.** All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these bylaws.

The mere acquisition or rental of any of the Lots (hereinafter referred to as "Lots") of the project or the mere act of occupancy of any of said Lots will signify that these bylaws are accepted, ratified, and will be complied with.

ARTICLE II

Administration, Voting

Section 1. **Association Membership.** The owners of the Lots shall constitute the membership of Property Owners' Association (a Colorado non-profit corporation) (hereinafter referred to as ("Association")). Each member shall be entitled to one vote for each Lot owned.

Section 2. **Place of Meetings.** Meetings of the membership of the association shall be held at a suitable place within the subdivision convenient to the owners as may be designated by the board of directors.

Section 3. **Annual Meetings.** The annual meetings of the membership of the association shall be held on the Saturday closest he 20th day of each June. At such meetings there shall be elected by ballot of the membership a Board of Directors in accordance with the requirements of Article III of these bylaws. The owners may also transact such other business of the association as may properly come before them.

Section 4. **Quorum and Proxies.** Except as otherwise provided in these bylaws, or in the Covenants, the presence in person or by proxy of a majority of the membership as defined in these bylaws shall constitute a quorum for regular and special meetings. Votes for each membership may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

Section 5. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the board of directors or upon a petition signed by twenty percent of the members and having been presented to the secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated.

Section 6. Notice of Meetings. It shall be the duty of the secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least ten but not more than fifty days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

Section 7. Adjourned Meetings. If any meeting of the membership cannot be organized because a quorum has not attended, the membership who are present, either in person or by proxy, may adjourn the meeting to a time not less than 24 hours from the time the original meeting was called.

Section 8. Order of Business. The order of business at all regular annual meetings of the membership shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of committees.
- (f) Old business.
- (g) New business.
- (h) Election of directors.

ARTICLE III

Board of Directors

Section 1. Number and Qualification. The affairs of the association shall be governed by a board of directors composed of 4 persons, all of whom must be owners of

Lots in the project or an appointed representative of each owner which is not a natural person.

Section 2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the association and may do all such acts and things as are not by law or by these bylaws directed to be exercised and done by the membership.

Section 3. Other Duties. In addition to duties imposed by these bylaws or by resolutions of the association, the board of directors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the common areas and facilities, including the approval of the repair, maintenance and improvement of the common elements.
- (b) Collection of annual assessments from the owners.
- (c) Designation, hiring and dismissal of the personnel necessary for the maintenance and operation of the project, the common areas and facilities and the restricted common areas and facilities.
- (d) The designation of rules and regulations for the use of the common elements.

Section 4. Management Agent. The board of directors may employ for the association a management agent at a compensation established by the board to perform such duties and services as the board shall authorize including, but not limited to, the duties listed in Section 3 of this Article, but such delegation shall not relieve the board of directors of its responsibility to assure the performance of such duties.

Section 5. Election and Term of Office. At the first annual meeting of the association the term of office of two directors shall be fixed for one year and the term of office of two directors shall be fixed at two years. At the expiration of the initial term of office of each respective director, his successor shall be elected to serve a term of two years. The directors shall hold office until their successors have been elected.

Section 6. Vacancies. Vacancies in the board of directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected at the next annual meeting of the association.

Section 7. Removal of Directors. At any regular or special meeting duly called, anyone or more of the directors may be removed with or without cause by a majority of the membership and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by membership shall be given an opportunity to be heard at the meeting.

Section 8. **Organization Meeting.** The first meeting of a newly elected board of directors shall be held within thirty days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present.

Section 9. **Regular Meeting.** Regular meetings of the board of directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the board of directors shall be given to each director, personally, by mail, or by telephone, at least five days prior to the day named for such meeting.

Section 10. **Special Meetings.** Special meetings of the board of directors may be called by the president on three days notice to each director, given personally, by mail, or by telephone, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the board of directors shall be called by the president or secretary in like manner and on like notice on the written request of at least two directors.

Section 11. **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 (or counterparts thereof) 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 thereof. Such consent shall have the same force and effect as a unanimous vote of the directors, and may be stated as such in any documents delivered to any other party including any articles filed with the Secretary of State under the Colorado Corporation Code.

Section 12. **Telephonic Meetings.** Members of the board of directors or any committee designated by the board may participate in a meeting of the board of directors or committee by means of conference telephone or similar communications equipment. Such participation shall constitute presence in person at the meeting.

Section 13. **Waiver of Notice.** Before or at any meeting of the board of directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the board shall be a waiver of notice by him of the time and place thereof unless such appearance is made solely for the purpose of objecting to the adequacy of such notice. If all the directors are present at any meeting of the board, no notice shall be required and any business may be transacted at such meeting.

Section 14. **Board of Director's Quorum.** At all meetings of the board of directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors. If, at any meeting of the

board of directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 15. Fidelity Bonds. The board of directors may require officers and employees of the association handling or responsible for the association to furnish adequate fidelity bonds. The premiums on such bonds, if required by the board of directors, shall be paid by the association.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by the board of directors. The directors may appoint an assistant treasurer, and an assistant secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers. The officers of the association shall be elected annually by the board of directors at the organization meeting of each new board and shall hold office at the pleasure of the board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the board of directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the board of directors or at any special meeting of the board called for such purpose.

Section 4. President. The president shall be the chief executive officer of the association and shall be one of the directors of the association. He shall preside at all meetings of the association and of the board of directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the association.

Section 5. Vice President. The vice president shall take the place of the president and perform his duties whenever the president shall be absent or unable to act. If neither the president nor the vice president is able to act, the board of directors shall appoint some other member of the board to do so on an interim basis. The vice president shall also perform such other duties as shall from time to time be imposed upon him by the board of directors.

Section 6. Secretary. The secretary shall keep the minutes of all meetings of the board of directors and the minutes of all meetings of the association; he shall have charge of such books and papers as the board of directors may direct; and he shall, in general, perform all the duties incident to the office of secretary.

Section 7. Treasurer. The treasurer shall have responsibility for association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit, of the association in such depositories as may from time to time be designated by the board of directors.

ARTICLE V

Obligations of the Owners

Section 1. Assessments.

(a) All owners are obligated to pay annual assessments imposed by the association to meet all project common expenses as provided in the recorded Declaration of Covenants, Conditions and Restrictions for the Pine Spring Subdivision.

(b) In addition to any other charge imposed by the Declaration of Covenants, the Association shall impose a late fee on any assessment payment which is not paid in full within thirty days of its due date as established by the Board of Directors and in addition, may impose interest on any amounts not paid when due. The amount of the late fee and the interest rate shall be set by the Board of Directors. The voting rights shall be suspended for any Lot on which the assessment remains unpaid for a period in excess of thirty days. Upon full payment of any such delinquent assessment and any late fees, the voting rights of that unit shall be reinstated. The Association shall have such other enforcement powers as are described in the Protective Covenants.

(c) Assessments for common expenses shall be based upon the cash requirements deemed to be such aggregate sum as the board of directors shall from time to time determine is to be paid to provide for the payment of all estimated expenses for the maintenance and operation of the general common elements, which sum may include, among other things: expenses of management; taxes and special assessments, until separately assessed; premiums for insurance of the types deemed necessary or proper by the board of directors, repairs, maintenance, cleaning and renovations; wages, water charges, legal and accounting fees; management fees; expenses and liabilities incurred by the managing agent or board under or by reason of this declaration; deficit remaining from a previous period; reserves for contingencies and periodic charges; and other costs and expenses relating to the general common elements.

ARTICLE VI

Amendments

Section 1. Bylaws. In the event an amendment to the Bylaws is proposed, the person initiating the proposed amendment shall request that a committee be formed by the Board of Directors to review the proposed amendment. The committee shall consist of the Board of Directors and three other property owners. The committee shall make recommendations regarding any amendment to the Bylaws. Any amendment so recommended shall be submitted to the membership at the regular annual meeting or at a special meeting duly called for that purpose.