

**AMENDED AND RESTATED BYLAWS THE EAGLE HILL RANCH  
HOMEOWNERS' ASSOCIATION, INC., A COLORADO NONPROFIT  
CORPORATION**

These Amended and Restated Bylaws (“**Bylaws**”) of the Eagle Hill Ranch Homeowners’ Association, Inc., a Colorado nonprofit corporation (“**Association**”) have been duly adopted by the Association through its Board of Directors and with the consent of the requisite number of Unit Owners (as that term is defined below) of the Association and are hereby deemed to be made effective as of October 8, 2011 (“**Effective Date**”). These Bylaws are intended to amend, restate, replace and supersede in their entirety any and all other previously adopted bylaws for the Association

**ARTICLE 1 INTRODUCTION AND PURPOSE**

**Section 1.1 - Introduction.** These are the Bylaws of the Association, which Association shall operate under the Colorado Revised Nonprofit Corporation Act (“**Corporation Act**”), as amended, and the Colorado Common Interest Ownership Act, as amended (“**Act**”). These Bylaws are promulgated in accordance with the authority of the Association as provided for in the Amended and Restated Declaration of Eagle Hill Ranch (formerly known as Eagle Hill Ranch PUD) (“**Community**”) recorded in the official records of Ouray County, Colorado in Reception No. 170285, as may be further amended or supplemented from time to time (“**Declaration**”) as well as the Articles of Incorporation and any duly adopted Rules, Regulations and/or Policies of the Community. Unless otherwise defined herein, capitalized terms herein shall have the meaning ascribed in the Declaration. The Declaration, the Articles of Incorporation, the Bylaws, any Policies and any Rules and Regulations of the Community and these Governance Policies shall be collectively referred to as the “**Governing Documents**”.

**Section 1.2 - Purposes.** The purposes for which the Association was formed are to preserve and enhance the value of the properties of Association Members (as that term is defined below) and to govern the Common Elements and affairs of Eagle Hill Ranch situated Ouray County, Colorado, as the Community was created pursuant to the Declaration. Terms which are defined in the Declaration shall have the same meaning herein, unless defined otherwise in these Bylaws.

**Section 1.3 - Persons Subject to Bylaws.** All present and future owners of a Unit (“**Eagle Hill Lot**” or “**Sweetwater Lot**”) in the Community (“**Unit Owner**”), tenants, future tenants, guests or any person that might use or occupy, in any matter, the facilities within the Community, are subject to the terms and provisions of these Bylaws, and the other governing documents of the Community. The mere acquisition, rental or use of a Unit will signify that the Governing Documents of the Community are acceptable, ratified and will be complied with by all such persons owning, renting or otherwise using the Unit.

**Section 1.4. - Business Offices.** The principal office of the Association in the State of Colorado shall be located at 417 Golden Eagle Trail, Ridgway, CO 81432.

**Section 1.5. - Registered Office.** The Association shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Revised Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association if the principal office is in the State of Colorado, and the registered agent and/or the address of the registered office may be changed from time to time by the Executive Board as long as the proper filings are made with the Colorado Secretary of State.

**ARTICLE 2 EXECUTIVE BOARD****Section 2.1 – Nomination and Election of Directors.****OPTION A – Nomination Process WITH a Nomination Committee**

- a) Nomination for election to the Board of Directors shall be made by a Nominating Committee; Nominations may also be made from the floor at the annual membership meeting;
- b) The Nominating Committee shall be a standing committee;
- c) The Nominating Committee shall consist of three Unit Owners, only one of which is a member of the Executive Board who shall preside as Chairperson;
- d) The Nominating Committee shall be appointed by the membership at the Annual Meeting;
- e) Committee members shall serve a one-year term;
- f) The Nominating Committee shall solicit from the membership at large, electronically or otherwise, in a timely fashion, but not less than two months prior to the annual membership meeting in the case of expiring term(s), those members interested in becoming a nominee for election to the Board of Directors to fill either expiring term(s), or a mid-term vacancy for the remaining term of the vacancy. No Member in good financial standing with the Association shall be denied nomination;
- g) The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled, whether expiring term(s) or mid-term vacancies;
- h) The Nominating Committee shall submit all nominees to the Executive Board in a timely fashion, and in the case of expiring term(s), prior to Notice of the annual membership; and
- i) Election of Directors will take place at annual membership meetings in the case of expiring term(s) in accordance with Section 3.2 – Annual Meetings, and in the case of mid-term vacancies, at Special Meetings in accordance with Section 2.5 – Vacancies in the Executive Board, or in accordance with Section 3.4 – Special Meetings.

**OPTION B – Nomination Process WITHOUT a Nomination Committee – Executive Board Responsibility**

- a) The Executive Board shall solicit from the membership at large, electronically or otherwise, in a timely fashion, but not less than two months prior to the annual membership meeting in the case of expiring term(s), those members interested in becoming a nominee for election to the Board of Directors to fill either expiring term(s), or a mid-term vacancy for the remaining term of the vacancy. No Member in good financial standing with the Association shall be denied nomination;
- b) The Executive Board shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled, whether expiring term(s) or mid-term vacancies;
- c) The Executive Board shall obtain sufficient nominees in a timely fashion, and in the case of expiring term(s), prior to Notice of the annual membership; and
- d) Election of Directors will take place at annual membership meetings in the case of expiring term(s) in accordance with Section 3.2 – Annual Meetings, and in the case of mid-term vacancies, at Special Meetings in accordance with Section 2.5 – Vacancies in the Executive Board, or in accordance with Section 3.4 – Special Meetings.

**Section 2.2 - Number and Qualification.**

- (a) The affairs of the Community and the Association shall be governed by an Executive Board which shall consist of five (5) persons. A member of the Executive Board (“**Board Member**”) must be a Unit Owner, and no more than one owner for a given Unit shall be a **Board Member** at any given time. At any meeting at which Board Members are to be elected, the Unit Owners may, by resolution, adopt specific procedures, which are not inconsistent with these Bylaws, Corporation Act or for conducting the elections.
- (b) The terms of at least one Board Member shall expire annually.
- (c) The Board Members shall take office upon election for a term of three years. The rights, duties and obligations of the Board Members shall be governed by these Bylaws, other Governing Documents, and the Act.

**Section 2.3 - Powers and Duties.** The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and the Community, including the following powers and duties:

- (a) Ensure the nomination and election of Board Members in accordance with *Section 2.1 – Nomination and Election of Directors*
- (b) Prepare budgets of revenues and expenses, as well as reserve fund analysis for ratification at the annual meeting of the Unit Owners;
- (c) Collect assessments for Common Expenses, Limited Common Expenses and Special Assessments;
- (d) Hire and discharge managing agents of the Association;
- (e) Hire and discharge employees, independent contractors and agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek relief for violations of the Declaration, Bylaws or Rules and Regulations in the Association’s name on matters affecting the Community;
- (g) Make contracts and incur reasonable liabilities on behalf of the Association;
- (h) Regulate the use, maintenance, repair, replacement and modification of Community Common Areas;
- (i) Cause additional improvements to be made as a part of the Community Common Areas;
- (j) Acquire, hold, encumber and convey, in the Association’s name, any right, title or interest to real estate or personal property subject to homeowner approval; provided that Community Common Areas may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act;
- (k) Grant or obtain easements, licenses or permits for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Community Common Areas and/or adjacent property;

- (l) Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Common Areas, other than Limited Common Areas described in Subsections 202(1)(b) and (d) of the Act;
- (m) Impose a reasonable charge for late payment of assessments and levy reasonable fines for violation of the Declaration, these Bylaws, and/or the Rules and Regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and the Executive Board and maintain Board Members' and officers' liability insurance;
- (p) Exercise any other powers conferred by the Declaration or these Bylaws;
- (q) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
- (r) Exercise any other power necessary and proper for the governance and operation of the Association;
- (s) By resolution, establish committees of Board Members, permanent, temporary and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee;
- (t) Review an appeal of any Unit Owner of an action by any committee established by the Executive Board;
- (u) Cause an audit of the Association records at least bi-annually to be made by a certified public accountant at the completion of each fiscal year. The cost of any audit shall be a Common Expense unless otherwise provided in the Community Documents;
- (v) Annually consider the reserve fund policy, including whether to establish segregated accounts, and determine annual reserve savings goals pursuant to a formal reserve findings analysis and report these goals to the Unit Owners at the annual meeting;
- (w) Ensure that all Executive Board minutes and financial reports and audits are distributed to the Unit Owners upon approval;
- (x) Ensure the minutes of the annual meeting are distributed within 30 days after the annual meeting for comment, additions and corrections for approval at the following annual meeting;
- (y) Ensure notice of regularly scheduled Executive Board meetings are sent to all Unit Owners including the proposed agenda;
- (z) Appoint Officers of the Executive Board; and
- (aa) Promulgate the amendment and enforcement of Design Review Guidelines, ensuring their application is not applied arbitrarily and/or capriciously, hearing any and all Unit Owner appeals to guideline amendments.

**Section 2.4 - Removal of Board Members.** The Unit Owners, by a vote of at least fifty-one percent of the votes at any meeting of the Unit Owners at which a quorum is present, may remove a Board Member with or without cause.

**Section 2.5 – Vacancies in the Executive Board.** Vacancies in the Executive Board may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy. Each person so elected shall be a Board Member for the remainder of the term of the Board Member so replaced.

**Section 2.6 - Regular Meetings.** The first regular meeting of the newly elected Executive Board shall immediately follow each annual meeting of the Unit Owners. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

**Section 2.7 - Special Meetings.** Special meetings of the Executive Board may be called by the President or by a majority of the Board Members on at least three business days' notice to each Board Member. The notice shall be in writing (electronic or otherwise) to Unit Owners, and shall state the time, place and purpose of the meeting.

**Section 2.8 - Location of Meetings.** All meetings of the Executive Board shall be held within Ouray County, Colorado, unless all Board Members consent in writing to another location.

**Section 2.9 - Quorum of Board Members.** At all meetings of the Executive Board, a majority of the Board Members shall constitute a quorum for the transaction of business. At a meeting at which a quorum is present, the votes of a majority of the Board Members present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any rescheduled meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 2.10 - Consent to Corporate Action.** If all the Board Members or all Board Members of a committee established for such purposes, as the case may be, severally or collectively consent in writing (electronically or otherwise) to any action taken or to be taken by the Association, and the number of the Board Members constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Executive Board.

**Section 2.11 - Telephone Communication in Lieu of Attendance.** A Board Member may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the Board Member may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board. The Board Member's vote shall be counted and the presence noted as if that Board Member were present in person on that particular matter.

## **ARTICLE 3 UNIT OWNERS AND MEMBERSHIP**

### **Section 3.1 - Membership.**

- (a) **Membership Rights and Interests.** There shall be one (1) Membership in the Association for each Unit within the Common Interest Community. The Person or Persons who constitute the Owner of a Unit shall automatically be the holder of the Membership appurtenant to that Unit, and shall collectively be the "Member" of the Association with respect to that Unit, and the Membership appurtenant to that Unit shall automatically

pass with fee simple title to the Unit. Membership in the Association shall not be assignable separate and apart from fee simple title to a Unit, and may not otherwise be separated from ownership of a Unit.

- (b) **Title to Memberships.** If title to a Unit is held by a firm, corporation, partnership, limited liability company, association or other legal entity or any combination thereof, that entity may appoint, by a writing furnished to the Association, a delegate to represent such Unit as a candidate for, and if elected, as a member of, the Executive Board. Any such delegate must, at the time of the appointment and continuing throughout the period of representation of the entity, own at least a 25% equity interest in the entity. The Association may require proof of such equity ownership from time to time to evidence the qualification of the delegate to represent such Unit and in the absence of such demonstration to the reasonable satisfaction of the Association, the Association may reject the right of the delegate to act on behalf of the entity until such time as satisfactory information is provided and accepted by the Association. Such delegate shall not vote as a member of the Association unless the delegate shall be appointed by a proxy executed in conformance with these Bylaws to cast the voting interest of the Unit which the delegate represents.
- (c) **Responsibilities of Members.** Any person, upon becoming an Owner of a Unit, shall automatically become a Member of the Association and shall be subject to these Bylaws. Such membership shall terminate without any formal action by the Association whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred to, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Association or others may have against such former Owner arising out of ownership of the Unit and membership in the Association and the covenants and obligations incident thereto.
- (d) **Membership Certificates.** No Certificates of Stock shall be issued by the Association, but the Executive Board may, if it so elects, issue membership cards to Owners of Units. Such membership cards shall be surrendered to the Secretary of the Association whenever ownership of the Unit designated on the card shall terminate.
- (e) **Classes of Members.** The Association shall have one class of Members. Except as otherwise noted herein or in the Declaration, all Members shall have the same rights and obligations.
- (f) **Transfer of Membership on Association Books.** Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous Owner of the Membership as the Owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

**Section 3.2 - Annual Meeting.** Annual meetings of the Unit Owners shall be held in October of the fiscal year and set forth in the notice given thirty (30) days prior to the meeting to include all items or attachments for which approval is required. At these meetings, the Board Members shall be elected by ballot of the Unit Owners, in accordance with the provisions of these Bylaws, the Declaration and the Articles of Incorporation. The Unit Owners may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

**Section 3.3 - Budget Meeting.** Meetings of the Unit Owners to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at Annual or Special Meetings called for other purposes as well. Unit Owners shall ratify the next fiscal year's budget to the satisfaction of a majority of the Unit Owners

**Section 3.4 - Special Meetings.** Special meetings of the Association may be called by the President, by a majority of the Executive Board or by Unit Owners comprising 35% of the votes in the Association.

**Section 3.5 - Place of Meetings.** Meetings of the Unit Owners shall be held anywhere (i) in the Community, or (ii) in Ouray County, and may be adjourned to a suitable place convenient to the Unit Owners, as may be designated by the Executive Board or the President.

**Section 3.6 - Notice of Meetings.** The Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Unit Owners to be in writing (electronic or otherwise) sent to the address (electronic or otherwise) designated in writing (electronic or otherwise) by the Unit Owner, not less than 10 nor more than 30 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

**Section 3.7 - Waiver of Notice.** Any Unit Owner may, at any time, waive notice of any meeting of the Unit Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

**Section 3.8 - Adjournment of Meeting.** At any meeting of Unit Owners, a majority of the Unit Owners who are present at that meeting, either in person or by proxy may adjourn the meeting to another time.

**Section 3.9 - Order of Business.** The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Review and approval of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of Board Members on the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of Board Members on the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

**Section 3.10 - Voting Rights of Members.**

- (a) Each Unit in the Community shall be entitled to one (1) vote in the Association, *i.e.*, one (1) vote per Owner/Member. If title to a Unit is owned by more than one (1) Person, such persons shall collectively vote their interest as a single vote. If only one of the multiple owners of a Unit is present at an Association meeting, such Owner is entitled to cast the vote allocated to that Unit. If more than one of the multiple Owners is present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any of the multiple owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. In the event of a protest being made by one or more Owners and a majority of the Owners of the Unit cannot agree on how to cast their vote, any vote cast for that Unit shall be null and void with regard

to the issue being voted upon. Such multiple Owners and their Unit shall nevertheless be counted in determining the presence of a quorum with respect to the issue being voted upon. No votes allocated to a Unit owned by the Association may be cast.

(b) All votes taken at meetings of the Unit Owner's shall be taken as follows:

- (1) Election of Board Members in a contested election shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain identifying information concerning the ballot holder in order to verify voting accuracy, but such information shall be kept confidential by the Association and not part of the public record of the vote or the meeting. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.
- (2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law. At the discretion of the Executive Board or upon request of twenty percent (20%) of the Owners 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 Owners are entitled to vote shall be by secret ballot.
- (3) Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the Chair of the meeting or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates for such position.
- (4) The individual(s) counting the ballots shall report the results of the vote to the Chair of the meeting by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue, without reference to the names, addresses or other identifying information of Owners participating in such vote.

**Section 3.11 - Quorum.** Except as otherwise provided in these Bylaws, the Unit Owners present in person or by proxy at any meeting of Unit Owners, but no less than 50% of the Unit Owners, shall constitute a quorum at that meeting.

**Section 3.12 - Majority Vote.** The Vote of a majority of the members present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, and the Articles of Incorporation or by law.

**Section 3.13 - Proxies.** At any meeting of the Members, the vote allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner or by the Unit Owner's duly authorized attorney-in-fact. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of a vote by the other owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this provision except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy shall terminate eleven (11) months after its date, unless a different termination date is otherwise set forth on its face. Proxies shall be filed with the Secretary of the Association at or before the appointed time of each meeting. Proxies shall conform to C.R.S. Section 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following: (a) Validity of the signature; (b) Signatory's authority to sign for the unit Owner; (c) Authority of the unit Owner to vote; (d) Conflicting proxies; and (e) Expiration of the proxy.



**Section 3.14 - Action by Written Ballot.** A vote on any action that may be taken at a regular or special meeting of Members may be taken without a meeting if the Association delivers a written ballot **(electronic or otherwise)** to every Member entitled to vote on the matter which sets forth each proposed action and provides an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot **(electronic or otherwise)** shall indicate the number of responses needed to meet quorum requirements, state the percentage of approvals necessary to approve each matter other than election of Executive Board members, specify the time by which the ballot must be received by the Association in order to be counted, and be accompanied by written information **(electronic or otherwise)** regarding the matter to be voted upon. Approval by written ballot **(electronic or otherwise)** shall be valid when the number of votes cast by ballot equals or exceeds the quorum required at a meeting authorizing the action and the number of approvals equals or exceeds the number required to approve the matter at a meeting.

**Section 3.15 - Election of Executive Board Members.** Cumulative voting for Executive Board members shall not be permitted.

**Section 3.16 - Chairman of Meetings.** At any meeting of the Members, except the annual meeting, the Members present shall select a Chairman and a Secretary of the Meeting.

**Section 3.17 - Unit Owner Addresses for Notices.** Unless a Unit Owner shall have notified the Association by first class mail (not electronically) of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Unit Owner, or any other written instrument to be given to any Unit Owner, may be sent (electronic or otherwise) to such Unit Owner at the address of record held by the Association.. If more than one Unit Owner owns a particular Unit, then any notice or other written instrument may be sent (electronically or otherwise) to all of such Owners in accordance with the foregoing. Any notice or other written instrument sent (electronic or otherwise) by the Executive Board in accordance with the foregoing will be deemed to have been given on the date that it is sent.

**Section 3.18 - Rules at Meeting.** The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners. In the absence of such rules, Robert's Rules of Order shall be used.

#### **ARTICLE 4 OFFICERS**

**Section 4.1 - Designation.** The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be Unit Owners appointed by the Executive Board. The Executive Board may appoint an assistant Treasurer, an assistant Secretary and other officers as it finds necessary, none of whom need be Unit Owners.

- a) All Officers must be Board Members;
- b) No two offices shall be held by the same person; and;
- c) No more than one owner of a Unit shall be either a Board Member or officer concurrently.

**Section 4.2 - Appointment of Officers.** The officers of the Association shall be appointed annually by the new Executive Board at a meeting to be held immediately following the annual meeting. They shall hold office at the pleasure of the Executive Board.

**Section 4.3 - Removal of Officers.** Upon the affirmative vote of a majority of the Board Members, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

**Section 4.4 – Vacancies of Officers.** Vacancies of officers may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy. Each person so appointed shall serve for the remainder of the term of the office vacated.

**Section 4.4 - President.** The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Unit Owners and the Executive Board. The President shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under the laws of the State of Colorado. The President may fulfill the role of Treasurer pro tem in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

**Section 4.5 - Vice President.** The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Board Member to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Executive Board or by the President.

**Section 4.6 - Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and the Executive Board. The Secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of the State of Colorado to include notification of elected board or committee members, furnishing appropriate documents for committee functions, maintaining committee and homeowner information and distributing notices of meetings as appropriate. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

**Section 4.7 - Treasurer.** The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of Treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Restricted funds of the Association related to homeowner deposits shall be deposited in segregated accounts. Funds may be withdrawn from a restricted fund (or future reserve funds) for the purposes for which they were deposited as authorized by the Executive Board.

**Section 4.8 - Agreements, Contracts, Deeds, Checks, etc.** Except as provided in Sections, 4.4, 4.6, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

**Section 4.9 - Statements of Unpaid Assessments.** The Treasurer, assistant treasurer, a manager employed by the Association, if any, or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act. The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Unit Owner for which the certificate or statement is furnished.

## ARTICLE 5 ENFORCEMENT

**Section 5.1 - Abatement and Enjoinment of Violations by Unit Owners.** The Executive Board shall have the right to enforce the Rules and Regulations adopted by the Executive Board and remedy violations thereof, including the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

- (a) To enter the Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Community Common Areas contrary to the intent and meaning of the provisions of the Documents. The Executive Board shall not be deemed liable for any manner of trespass by this action; or
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

**Section 5.2 - Fines for Violation.** By resolution, following notice and hearing, the Executive Board may levy reasonable fines per day for each day that a violation of the Documents or Rules persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

## **ARTICLE 6 INDEMNIFICATION**

To the extent permitted or required by the Corporation Act (as defined below) and any other applicable law, if any, Executive Board member or officer (as defined below) of the Association is made a party to or is involved in (for example as a witness) any proceeding (as defined below) because such person is or was a member of the Executive Board or officer of the Association, the Association (i) shall indemnify such person from and against any judgments, penalties, fines (including but not limited to ERISA excise taxes), amounts paid in settlement and reasonable expenses (including but not limited to expenses of investigation and preparation, and fees and disbursements of counsel, accountants or other experts) incurred by such person in such proceeding, and (ii) shall advance to such person expenses incurred in such proceeding. The Association may in its discretion (but is not obligated in any way to) indemnify and advance expenses to an employee or agent of the Association to the same extent as to an Executive Board member or officer. The foregoing provisions for indemnification and advancement of expenses are not exclusive, and the Association may in its discretion provide for indemnification or advancement of expenses in a resolution of its Members or Executive Board, in a contract or in its Articles of Incorporation. Any repeal or modification of the foregoing provisions of this Article for indemnification or advancement of expenses shall not affect adversely any right or protection stated in such provisions with respect to any act or omission occurring prior to the time of such repeal or modification. If any provision of this Article or any part hereof shall be held to be prohibited by or invalid under applicable law, such provision or part thereof shall be deemed amended to accomplish the objectives of the provision or part thereof as originally written to the fullest extent permitted by law, and all other provisions or parts shall remain in full force and effect. As used in this Article, the following terms have the following meanings:

**Corporation Act.** The term “Corporation Act” means the Colorado Revised Nonprofit Corporation Act as it exists on the date this Article is adopted, and as the Colorado Revised Nonprofit Corporation Act may be thereafter amended from time to time. In the case of any amendment of the Colorado Revised Nonprofit Corporation Act after the date of adoption of this Article, when used with reference to an act or omission occurring prior to the effectiveness of such amendment, the term “Corporation Act” shall include such amendment only to the extent that the amendment permits a corporation to provide broader indemnification rights than the Colorado Revised Nonprofit Corporation Act permitted prior to the amendment.

**Officer.** The term “officer” means (i) an officer of the Association, and (ii) while an individual is an officer of the Association, the individual’s serving at the Association’s request as an Executive Board member, officer, partner, member, manager, trustee, employee, fiduciary or agent of another domestic or foreign corporation, partnership, nonprofit corporation, or other person or of an employee benefit plan, and (iii) any other position (not with the Association itself) in which an Executive Board member or officer of the Association is serving at the request of the Association and for which indemnification by the Association is permitted by the Act.

**Proceeding.** The term “proceeding” means any threatened, pending or completed action, suit, or proceeding whether civil, criminal, administrative or investigative, and whether formal or informal.

**Code.** The term “Code” means the Internal Revenue Code of 1986, as amended from time to time.

Notwithstanding any other provision of this Article 6 during any period that the Association is a “private foundation” within the meaning of section 509 of the Code, or any corresponding provision of any future United States tax law, the Association shall not indemnify any person from or against or advance to any person the cost of such expenses, judgments, fines, or amounts paid or necessarily incurred, nor shall the Association purchase or maintain such insurance, to the extent that any such indemnification, purchase, or maintenance would be determined to be an act of self-dealing within the meaning of section 4941 of the Code, to be a taxable expenditure within the meaning of section 4945 of the Code, or to be otherwise prohibited under the Code, unless and to the extent (i) a court orders such indemnification, or (ii) the purchase or maintenance of such insurance can be treated as reasonable compensation to such person.

## ARTICLE 7 RECORDS

**Section 7.1 - Records.** The Association shall maintain financial records.

**Section 7.2 - Examination.** All records maintained by the Association or the Manager shall be available for examination and copying by any Unit Owner, any holder of a Security interest in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

**Section 7.3 - Records.** The Association or its manager or managing agent, if any, may keep the following records:

- (a) An account for each Unit, which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;
- (b) An account for each Unit Owner showing any other fees payable by the Unit Owner;
- (c) A record of capital expenditures approved by the Executive Board;
- (d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
- (e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

- (f) The current operating budget adopted pursuant to Section 315(1) of the Act and ratified pursuant to the procedures of Section 303(4) of the Act;
- (g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- (h) A record of insurance coverage provided for the benefit of Unit Owners and the Association;
- (i) A record of any alterations or improvements to Units or Limited Common Areas which violate any provisions of the Declarations of which the Executive Board has knowledge;
- (j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge;
- (k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
- (l) Balance sheets and other records required by Colorado corporation law;
- (m) Tax returns for state and federal income taxation;
- (n) Minutes of proceedings of Unit Owners, Board Members, committees of Board Members and waivers of notice; and
- (o) A copy of the most current versions of the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, and resolutions of the Executive Board, along with their exhibits and schedules.

## **ARTICLE 8 MISCELLANEOUS**

**Section 8.1 - Notices.** All notices to the Association or the Executive Board shall be delivered to the office of the Association, or to such other address as the Executive Board may designate by written notice (electronic or otherwise) to all Unit Owners and to all holders of security interests in the Units who have notified the Association that they hold a security interest in a Unit. Except as otherwise provided, all notices to any Unit Owner shall be sent (electronic or otherwise) to the Unit Owner's address as it appears in the records of the Association. All notices to holders of security interests in the Units shall be sent by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when sent (electronic or otherwise).

**Section 8.2 - Fiscal Year.** The Executive Board with approval of the members shall establish the fiscal year of the Association.

**Section 8.3 - Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**Section 8.4 - Office.** The principal office of the Association shall be at such place as the Executive Board may from time to time designate.

**Section 8.5 - Working Capital.** A working capital fund may be established pursuant to the Declaration.

**Section 8.6 - Reserves.** As a part of the adoption of the regular budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Areas that it is obligated to maintain, based upon age, remaining life and quantity and replacement cost of major Community Common Element improvements.

## **ARTICLE 9 AMENDMENTS TO BYLAWS**

**Section 9.1 - Vote of Unit Owners.** These Bylaws may be amended only by vote of sixty-seven percent of the Unit Owners present in person or by proxy following notice and opportunity to comment, at any meeting duly called for such purpose.

**Section 9.2 - Restrictions on Amendments.** No amendment of these Bylaws shall be adopted which would affect or impair the validity or priority of any security interest covering any Unit or which would materially change the provisions of these Bylaws with respect to a first lien security interest or the interest of any mortgagees or liens of record.

## **ARTICLE 10 NONPROFIT CORPORATION**

The Association is not organized for profit. No member of the Association, member of the Executive Board, or person from whom the Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event shall any part of the funds or assets of the Association be paid as a dividend, or be distributed to, or inure to the benefit of, any member of the Executive Board. The foregoing, however, shall neither prevent nor restrict the following:

Reasonable compensation may be paid to any Member or Executive Board member acting as an agent or employee of the Association for services rendered in accomplishing one or more of the lawful purposes of the Association; and

Any Member or Executive Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, including service on a committee, if such reimbursement is authorized by the Executive Board.

## **ARTICLE 11 LIMITED LIABILITY**

Neither the Association, the Executive Board or any committee, nor any officer, employee, Member or agent of the same, shall be liable to any Owner, occupant or other person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

## **ARTICLE 12 COMMITTEES**

**Section 12.1 - Committees of Executive Board.** The Executive Board, by resolution adopted by a majority of the members in office, may create one or more committees and appoint one or more members to serve on them. Any such committee shall have and exercise the authority of the Executive Board in the management of the Association, except that no such committee shall have the authority of the Executive Board in reference to authorizing distributions, approving or proposing to Members action requiring Member approval, electing, appointing or removing any Executive Board member, amending Articles of Incorporation, amending, altering or repealing the Bylaws, approving a plan of merger not requiring Member approval, or approving a sale, lease, exchange or other distribution of all, or substantially all of the Association's property, with or without goodwill, otherwise than in the usual and regular course of business subject to approval by Members.

**Section 12.2 - Other Committees.** The Association may have other committees appointed by the Executive Board which shall not have the authority of the Executive Board in the management of the Association. The members of such committees need not be members of the Executive Board or Members. Such committees shall include, without limitation, the Design Review Committee that is formed pursuant to the Declaration as well as a Nominating Committee.

**Section 12.3 - Term of Office.** Unless a different term is specified in the Declaration or by the Executive Board, each member of a committee shall continue as such until the next annual meeting of the Members of the Association and until his or her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

**Section 12.4 - Chairman.** One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

**Section 12.5 - Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 12.6 - Quorum.** Unless otherwise provided in the Declaration or in the resolution of the Executive Board designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 12.7 - Rules.** Unless otherwise provided in the Declaration or by the Executive Board, the same rules described herein regarding meetings, action without meeting, notice, waiver of notice and quorum and voting requirements of the Executive Board similarly apply to the above-described committees and their members.

**Section 12.7 – Actions.** Any action taken by any established committee shall be reported at the next meeting of the Executive Board following approval of that action by the committee.

**Executed and made effective as of the Effective Date.**

Eagle Hill Ranch Homeowners' Association, Inc., a  
Colorado nonprofit corporation

By: \_\_\_\_\_

Date: October, 8, 2011

Name: John Carbonneau  
Title: President

By: \_\_\_\_\_

Date: October, 8, 2011

Name: Tim Currin  
Title: Secretary