

**AMENDED AND RESTATED BYLAWS
OF
OWNERS ASSOCIATION OF ELK MEADOWS ESTATES, INCORPORATED**

**ARTICLE I
GENERAL**

1.1 Purpose of Bylaws. These Bylaws of the Owners Association of Elk Meadows Estates, Incorporated (the “Association”) are adopted for the regulation and management of the affairs of the common interest community known as Elk Meadows Estates (the “Property”). The Association is organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, *et seq.* (the “Nonprofit Act”), in conformance with the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.* (“CCIOA”), and is the Association under the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Elk Meadows Estates (the “Declaration”). The Declaration relates to the real property in Ouray County, Colorado, which is subject to the Declaration (the “Property”). In the event that the Declaration is not in force and effect, the Restrictive Covenants, as defined in the Articles of Incorporation, shall serve as the Declaration for all purposes herein.

1.2 Terms Defined in the Declaration. Initially capitalized terms used but not defined in these Bylaws are defined in the Declaration and have the same definition as in the Declaration.

1.3 Controlling Laws and Documents. These Bylaws are controlled by and shall always be consistent with the provisions of the Nonprofit Act, applicable provisions of CCIOA, the Declaration, the Amended and Restated Articles of Incorporation of the Association filed with the Secretary of State of Colorado (the “Articles”), the Responsible Governance Policies (the “RGPs”) and the Rules and Regulations (the “Rules”), as any of them are amended from time to time. The Declaration, the Articles, the RGPs, the Rules and these Bylaws, as any of them may be amended from time to time, together with all exhibits or attachments to any of them, are herein collectively referred to as the “Governing Documents.”

**ARTICLE II
OFFICES**

2.1 Principal Office. The Board, in its discretion, may fix and change the location of the principal office of the Association from time to time.

2.2 Registered Office and Agent. The Board may change the Association’s initial registered office and initial registered agent specified in the Articles at any time by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

**ARTICLE III
MEMBERS AND VOTING RIGHTS**

3.1 General.

(a) By this reference, these Bylaws incorporate the membership and voting rights provisions of the Declaration and the Articles of Incorporation. Each Owner of a Lot is a member of the Association (a "Member"). An Owner's membership in the Association is hereinafter referred to as a "Membership." Each Membership is appurtenant to (meaning that it comes with and is attached to) the fee simple title to a Lot. The Owner of fee simple title to a Lot is automatically the holder of the Membership appurtenant to the Lot, and the Membership automatically passes with fee simple title to the Lot.

(b) In any matter coming before the Association for which a vote of the Members is required, for any Lot owned by multiple owners (the "Multiple Owners"): the Multiple Owners shall agree among themselves how the vote for that Lot's membership is to be cast. Multiple Owners may not cast fractional votes. A vote by any one Owner for the entire Lot's membership interest shall be deemed to be pursuant to a valid proxy unless another Owner of the same Lot objects at the time the vote is cast, in which case the vote for that Lot shall not be counted.

(c) The Association itself shall have no vote for any Lot it owns.

3.2 Votes. In all matters coming before the Association for which a vote of the Owners is required, each Lot is allocated one vote in the Association.

3.3 Resignation of Members. No Member may resign from the Association. An Owner's Membership in the Association shall terminate only upon the conveyance by such Member of all of such Member's ownership interests in any and all Lots.

3.4 Membership Termination; Member Sanctions. No Member may be expelled from the Association and no Member's Membership may be terminated as long as such Member is an Owner. Notwithstanding the foregoing, if any Member fails to comply with any provision of the Association's Governing Documents, the Association may, after "Notice and Hearing," impose such enforcement sanctions as are provided for in the Declaration. As defined in the Association Responsible Governance Policies, Notice and Hearing consists of formal written notice to the Member of a Board hearing at which the Board will consider enforcement action, in a hearing and with an opportunity for the Member to present evidence and argument.

3.5 Purchase of Memberships by Association. The Association shall not purchase the Membership of any Member.

3.6 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board shall act as arbitrator and the decision of a disinterested majority of the Board shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance therewith. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting. In the event of any dispute as to the entitlement of any Member to vote, the Notice and Hearing procedure shall apply prior to the Board making a final decision regarding such matter.

3.7 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Board, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as being entitled to all rights in connection with the Membership.

ARTICLE IV MEETINGS OF MEMBERS

4.1 Place of Members' Meetings. Meetings of the Members shall be held in Ouray County, Colorado, as may be fixed by the Board and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held in a month of each year as fixed in accordance with a resolution of the Board on such day and at such time of day as is fixed by the Board and specified in the notice of meeting. The annual meetings shall be held to transact such business that properly comes before the meeting.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board, the President of the Association, or by the Association upon a petition presented to the Board signed by the Members holding not less than twenty percent (20%) of the total votes in the Association. No business shall be transacted at a special meeting of the Members except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining the Members entitled to notice of, or to vote at, any meeting of the Members, or for the purpose of determining such Members for any other proper purpose, the Board of the Association may fix in advance a future date as the record date for any determination of the Members. The record date may not be more than seventy (70) calendar days prior to the meeting of the Members or the event requiring a determination of the Members.

4.5 Notice of Members' Meetings. Written notice of any meeting of the Members will be delivered not less than ten (10) nor more than fifty (50) calendar days before the date of the meeting, either personally or by first class mail to each Member entitled to vote at the meeting. The notice of any meeting will state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes and any proposal to remove a member of the Board. If mailed, the notice will be deemed to be delivered five (5) business days after it is deposited in the United States mail, first class postage prepaid, addressed to the Member at the mailing address for the Member appearing in the Association's records, or if the Member has not furnished a mailing address to the Association, then to the mailing address of the Member's Lot.

In addition to delivery of notice as required above, notices of Member meetings shall be provided as follows: The Association will post on its website, when the website is available, as well as by E-mail to Members who have provided the Association with a valid E-mail address. Notices of meetings of Members will also be physically posted in a conspicuous place, if feasible.

4.6 Proxies.

(a) A Member that is entitled to vote may vote in person or by proxy if the proxy is executed in writing by the Member and delivered to the secretary of the meeting prior to the time the proxy is exercised. A Member may appoint a proxy by signing an appointment form, either personally or by the Member's attorney-in-fact, or by transmitting or authorizing the transmission of an electronic transmission providing a written statement of the appointment to the proxy or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association, except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(b) A proxy may be revoked by a written revocation filed with the chairman of the meeting prior to the time the proxy is exercised or by voting in person. A proxy automatically ceases upon a change in the ownership of the Membership on the Association's books. No proxy is valid after 11 months from the date of its execution unless otherwise provided in the proxy appointment form. Any form of proxy or written ballot furnished or solicited by the Association will afford an opportunity for the Members to specify on the form a choice between approval and disapproval of each matter or group of related matters which is known, at the time the form of proxy or written ballot is prepared, may come before the meeting and will provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any matter, the vote will be cast in accordance with the Member's choice.

4.7 Quorum at Members' Meeting. Except as may be otherwise provided in the Declaration, the Articles or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least thirty (30) percent (30%) of the votes in the Association shall constitute a quorum at any meeting of such Members. If the required quorum is not present, another meeting may be called subject to the same notice requirement and the required quorum at the subsequent meeting shall be Members entitled to cast at least ten percent (10%) of the votes in the Association. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding that some of the Members withdraw from the meeting, leaving less than a quorum.

4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting for a total period or periods of not to exceed sixty (60) calendar days after the date set for the original meeting. At any adjourned meeting held without notice other than announcement at the meeting, the quorum requirement may not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called. Notwithstanding the foregoing, if the adjourned meeting is set for a date that is more than seventy (70) calendar days after the record date initially fixed for the meeting pursuant to Section 4.4 of these Bylaws, then notice of the adjourned meeting (pursuant to Section 4.5 of these Bylaws) must be given to the Members of record as of the new record

date fixed for such adjourned meeting pursuant to Section 4.4 of these Bylaws.

4.9 Vote Required at Members' Meeting. At any meeting of the Members called and held in accordance with these Bylaws, if a quorum is present, action on all matters properly coming before the Membership shall be approved if the votes cast favoring such action exceed the votes cast opposing such action, unless a different voting requirement is mandated by law or by the Association's Governing Documents, in which case the different requirement controls. There shall be no cumulative voting for directors or for any other action considered by the Members.

4.10 Officers of Meetings. At any meeting of the Members, the President of the Association shall act as chairman, but may designate another to chair the meeting, and the Secretary of the Association shall act as secretary of the meeting, unless the President designates another person to act as secretary of the meeting.

4.11 Expenses of Meetings. The Association shall bear the expenses of all meetings of the Members incurred by the Association.

4.12 Waiver of Notice. A waiver of notice of any meeting of the Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.13 Action of Members by Mail Ballot. Any action that could be taken at a meeting may be taken by the Members through a mail ballot procedure as described in Section 7-127-109 of the Colorado Nonprofit Act, or through any other mail-in or similar procedure now or in the future authorized by statute or otherwise.

4.14 Meetings by Telecommunication. Any or all of the Members may participate in an annual, regular, or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

ARTICLE V BOARD OF DIRECTORS

5.1 General Powers and Duties of Board. The Board has the duty to manage and supervise the affairs of the Association and has all powers necessary or desirable to permit it to do so. Without limiting the generality of the previous sentence, the Board has the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Association not reserved to the Owners in the Association's Governing Documents, the Nonprofit Act or CCIOA. The Board may delegate any portion of its authority to an officer or manager of the Association to the extent authorized by law. In addition, except to the extent so

provided in CCIOA, the Board may not act on behalf of the Association to amend the Declaration, to terminate the Declaration, or to elect members of the Board or determine the qualifications, powers and duties, or terms of office of Board members.

5.2 Special Powers and Duties of Board. Without limiting the general powers and duties set forth in Section 5.1 of these Bylaws, the Board has all the powers and duties set forth for it in the Articles of Incorporation and the Declaration, including, without limitation, the specific powers and duties set forth in the Declaration.

5.3 Qualifications of Directors. Each person elected or appointed to sit on the Board as a director shall be a natural person over the age of eighteen (18) years. A director may be reelected, and there shall be no limit on the number of terms a director may serve on the Board. Directors need not be Colorado residents but must be Owners. If the Owner of a property is a corporation, then anyone officer of that corporation shall be entitled to serve on the Board. If the Owner of a property is a trust, then the trustee shall be entitled to serve on the Board. If the Owner of a property is a limited liability company, then the manager shall be entitled to serve on the Board. Owners who are more than sixty (60) calendar days past due on payments due to the Association, or who are in violation of the Governing Documents, may not serve as directors and will be deemed to have resigned his or her term as a director. However, before such Owner has given their deemed resignation as a director, the Board shall follow the Notice and Hearing procedure set forth herein. In the case of multiple Owners of a property, only one of the multiple Owners shall be eligible to serve on the Board at any given time.

5.4 General Standards of Conduct for Directors and Officers. To the extent not otherwise inconsistent with Colorado law, any director and officer, in connection with the authority and powers granted to the Board and such officer by the Association's Governing Documents or by any applicable law, including but not limited to, management, personnel, maintenance and operations, interpretation and enforcement of the Association's Governing Documents, the development of rules and restrictions, insurance, contracts and finance, shall act in good faith, with such care as an ordinarily prudent person in a like position would use under similar circumstances, and in a manner that such director or officer believes is in the best interests of the Association. In discharging his or her duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by: (i) one or more officers or employees of the Association whom the director or officer believes to be reliable and competent in the matters presented; or (ii) legal counsel, public accountants or other persons as to matters which the director or officer believes to be within such person's professional or expert competence, so long as, in any such case, the director or officer acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted. In addition to the limitations on liability set forth in Section 5.12 of these Bylaws, a director or officer shall not be liable as such to the Association for any act or omission as such if, in connection with such act or omission, the director or officer performed the duties of his or her position in compliance with this Section 5.4. A director or officer shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

5.5 Number and Term of Directors. The Board shall be composed of five (5) directors. The term of office of each director shall be three (3) years or until such time as a successor is elected. The terms of the Directors shall be staggered.

5.6 Election of Directors. The directors elected shall each serve until their successors are elected and qualified, or until their earlier death, resignation or removal. Nominations may be made at the meeting prior to the vote. The candidates receiving the highest number of votes shall be elected to the seats that are available.

5.7 Removal of Directors. At any meeting of the Members called and held in accordance with these Bylaws at which a quorum is present, any director may be removed, with or without cause, by the affirmative vote of sixty-seven percent (67%) of the Members present at the meeting. A successor may be then elected to fill the vacancy for the unexpired term of his or her predecessor in office.

5.8 Resignation of Directors. Any director may resign at any time by giving written notice to the President, the Secretary or the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. A director's unexcused absence at three (3) consecutive Board meetings may, upon the affirmative vote of the other directors, constitute that absent director's deemed resignation, which would be accepted upon such affirmative vote.

5.9 Vacancies in Directors. Any vacancy occurring in the Board, unless filled in accordance with Sections 5.6 and 5.7 or by election at a special meeting of the Members, shall be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board. A director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his or her predecessor in office. A vacancy in the position of a director to be filled by reason of an increase in the number of directors shall be filled only by vote of the Members.

5.10 Manager or Managing Agent.

(a) The employment of a Professional Management Agent to be responsible for managing the affairs of the Association requires the Approval of the Community and cannot be granted solely by the Board of Directors. Upon presentation of a proposal at an Annual Meeting or Special Meeting of the Association, approval may be granted by a majority vote of Lot Owners present or voting by proxy at that Meeting. Notwithstanding, upon said membership approval, the Board will have the sole and absolute discretion to negotiate and enter into the contract for management, as well as to terminate or subsequently amend such contract without prior approval from the members. A replacement Management Agent will be by approval of the Board or Directors.

(b) If the Members vote to hire a Management Agent, the manager, managing agent and/or other agent will have and exercise those duties as specified by the Board and will comply with the Act and any other State Law requiring licensing as a Community Association Manager.

(c) If those duties specified in the resolution delegate to any manager, managing agent or other agent any power relating to the collection, deposit, transfer or disbursement of Association funds, then such manager, managing agent and/or other agent shall (i) maintain fidelity insurance coverage or a bond in an amount commensurate with the requirements found in CCIOA or such other amount as the Board may require, (ii) maintain all Association funds and accounts separate from the funds and accounts of other associations managed by such manager, managing agent or other agent, and maintain all reserve accounts of such other associations separate from the operational accounts of the Association, and (iii) prepare and provide to the Association an annual accounting and financial statement for the Association funds, which accounting and financial statement may be prepared by the manager, managing agent or other agent, a public accountant or a certified public accountant.

5.11 Limitations of Liability and Indemnification of Directors and Officers.

(a) Except as provided in CCIOA, no director or officer shall be liable for actions taken or omissions made in the performance of such director's or officer's duties as such, except for wanton and willful acts or omissions.

(b) Subject to any applicable provisions of CCIOA, and without limiting the generality of Section 5.12(a) of these Bylaws, no director shall have any personal liability to the Association or its Members for monetary damages for breach of fiduciary duty as a director; except that the personal liability of such director shall not be eliminated for: (i) any breach of the director's duty of loyalty to the Association or its Members; (ii) acts or omissions by the director not in good faith or that involve intentional misconduct or a knowing violation of the law; (iii) voting for or assenting to any unlawful distributions as defined under Section 7-128-403 of the Nonprofit Act, provided that the extent of liability for such vote or assent shall be determined pursuant to Section 7-128-403 of the Nonprofit Act; (iv) consenting to or participating in the making of any loan by the Association to any director or officer, provided that the extent of liability for such consent or participation shall be determined pursuant to Section 7-128-501 of the Nonprofit Act; or (v) any transaction from which the director directly or indirectly derived an improper personal benefit.

(c) No director or officer shall be personally liable for any injury to person or property arising out of a wrong committed by an employee of the Association unless such director or officer was personally involved in the situation giving rise to the injury or unless such director or officer committed a criminal offense in connection with such situation.

(d) Nothing contained in this Section 5.12 will be construed to deprive any director of his or her right to all defenses ordinarily available to a director nor will anything herein be construed to deprive any director of any right he or she may have for contribution from any other director or other person.

(e) The Association will indemnify, to the maximum extent permitted by law, any person made a party to a proceeding because such person is or was a director of the Association against liability incurred in the proceeding and against reasonable expenses incurred by the person in connection with the proceeding. The Association further may, to the maximum extent permitted

by law, purchase and maintain insurance on behalf of a person who is or was a director, officer, partner, member, manager, trustee, employee, fiduciary, or agent of another domestic or foreign corporation, nonprofit corporation, or other person or of an employee benefit plan, against liability asserted or incurred by the person in that capacity or arising from the person's status as a director, officer, employee, fiduciary, or agent.

5.12 Assessments.

At each annual meeting or any special meeting called for such purpose, the membership shall determine the amount of each annual or special assessment. Each Lot (share) may be assessed up to \$500 per year, which may not be changed except by a vote of seventy-five percent (75%) of those Members attending the annual meeting in person or by proxy, provided that a quorum is present. The annual assessment for any given year shall be determined by a majority of all Members attending the annual meeting in person or by proxy, provided that there is a quorum present at the meeting. Any special assessment shall be decided by a majority of all Members attending in person or by proxy at the annual meeting or a special meeting called for that purpose, provided that there is a quorum present at the meeting. Such annual or special assessments shall be due and payable and may be collected and otherwise enforced in accordance with the Articles of Incorporation and any restrictive covenants, as the same may be amended from time to time. The Association shall collect annual and special assessments in accordance with the Governing Documents.

5.13 Sewer and Tap Fees.

The Board of Directors, in its administration of the Association's water and sewer systems, shall have the power at any general or special meeting of the Board to set reasonable "user fees" for those Owners with existing water or sewer taps. Further, the Board shall have the power to set reasonable "tap fees" to any Owner for the privilege of tapping into the Association's water and sewer systems. Such user and tap fees shall be due in accordance with the payment schedule set by the Board. Collection of delinquent user or tap fee shall be in accordance with the Governing Documents.

ARTICLE VI MEETINGS OF DIRECTORS

6.1 Place of Directors' Meetings. Meetings of the Board shall be held in Ouray County, Colorado, or at such other place, within or convenient to the Property, as may be fixed by the Board and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Board shall be held on the same date as, or within sixty (60) calendar days following, the annual meeting of the Members. The business to be conducted at the annual meeting of the Board shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of the Members at which the Board is elected.

6.3 Special Meetings of Directors. Special meetings of the Board may be called by the President or a majority of the directors.

6.4 Notice of Directors' Meetings. When notice is required for any meeting of the Board, notice stating the place, day and hour of the meeting, and the agenda, will be delivered not less than five (5) nor more than fifty (50) calendar days before the date of the meeting, by mail, E-mail, facsimile or personally, by or at the direction of the persons calling the meeting, to each director. If mailed, the notice will be deemed delivered five (5) business days after it is deposited in the mail addressed to the director at his or her home or business address as either appears in the records of the Association, with its first-class postage prepaid. If by electronic mail (E-mail), the notice will be deemed delivered when E-mailed to the director at his or her E-mail address as it appears on the records of the Association. If given personally, the notice will be deemed delivered upon delivery of a copy of a written notice to, or upon verbally advising, the director or some person who appears competent and mature at the director's home or business address as either appears on the records of the Association. Notice of directors' meetings and the agenda shall be copied to all directors and Owners via E-mail, to all such directors and Owners who have provided the Association with a valid E-mail address.

6.5 Proxies. For purposes of determining a quorum of directors with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be deemed to be present at a meeting and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

6.6 Quorum of Directors. A majority of the number of directors fixed in these Bylaws shall constitute a quorum for the transaction of business by the Board.

6.7 Adjournment of Directors' Meetings. The directors present at any meeting of the Board may adjourn the meeting from time to time, whether or not a quorum is present, for a total period or periods not to exceed thirty (30) calendar days after the date set for the original meeting. Notice of an adjourned meeting will be given to all directors. At any adjourned meeting, the quorum requirement will not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

6.8 Vote Required at Directors' Meeting. At any meeting of the Board, if a quorum is present either in person or by proxy, the affirmative vote of a majority of the directors present shall be necessary for the adoption of the matter, unless a greater proportion is required by law or the Governing Documents.

6.9 Officers at Meetings. The President shall act as chairman or may designate another person to chair a meeting, and the Board shall designate a director, agent or manager to act as secretary at all meetings of directors.

6.10 Waiver of Notice. A waiver of notice of any meeting of the Board, signed by a director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such director. Attendance of a director at a meeting in person shall constitute waiver of notice of such meeting, except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or conveyed.

6.11 Action of Directors without a Meeting. Any action required to be taken, or which may be taken, at a meeting of the Board may be taken without a meeting in accordance with any procedure authorized by CCIOA or the Nonprofit Act, including but not limited to the provisions of C.R.S. 7-128-202, which currently require:

(a) Notice of the proposed action to be transmitted in writing (including via E-mail) to each member of the Board, by the time stated in the notice, either (i) votes in writing for that action, (ii) votes in writing against that action, (iii) demands that action not be taken without a meeting, (iv) abstains in writing, or (v) fails to do any of the above;

(b) The notice of the proposed action must state (i) the action to be taken, (ii) the time by which a director must respond, and (iii) that failure to respond by the time stated in the notice will have the same effect as abstaining in writing and failing to demand that action may not be taken without a meeting;

(c) Action is taken under this section only if, at the end of the time stated in the notice of the proposed action, the affirmative votes in writing equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted, and no director demanded in writing that action not be taken without a meeting. A record of action taken outside of a meeting shall be included in or appended to the meeting minutes of the next board meeting.

6.12 Meeting Attendance; Open Meetings; Executive Sessions.

(a) The Board may permit any director to participate in a regular or special meeting by, or conduct the entire meeting through the use of, any means of communication by which all persons participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

(b) All regular and special meetings of the Board, as well as of any committees of the Board, shall be open to attendance by all Members of the Association or their representatives. Agendas for meetings of the Board shall be made reasonably available for examination by all Members of the Association or their representatives.

(c) Meetings of the Association Members and the Board are open to all Members of the Association or to any person designated in writing by the Association Member as the Member's representative, subject to such reasonable restrictions for cause on voting, such as an Association Member's failure to pay Assessments, as may be stated in the Governing Documents. No Member's voting rights shall be suspended except after the Notice and Hearing process described herein.

(d) Association Members or their representatives are allowed to listen to Board meetings and are allowed to speak before the Board takes formal action on an item under discussion, at the designated time in the Board meeting agenda, in accordance with reasonable time restrictions set by the Board.

(e) Association Members shall not interrupt or participate in the Board's deliberation during the actual Board meeting among the members of the Board.

(f) The Board may hold an executive or closed-door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or part thereof. The matters to be discussed at such an executive session shall include only the matters enumerated in CCIOA.

ARTICLE VII OFFICERS

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a "President," one or more "Vice-Presidents," a "Secretary," a "Treasurer" and other officers, assistant officers, employees and agents as the Board deems necessary. Any two or more offices may be held by the same person, except that the President can only be the president, and can have no other officer title at the same time.

7.2 Appointment and Term of Office of Officers. Except as otherwise provided in this Section 7.2, each officer of the Association shall be appointed by the Board at the first organizational meeting of the Board each year following the annual meeting and shall hold office, subject to the pleasure of the Board until the next annual meeting of the Board or until the officer's successor is appointed, whichever is later, unless the officer resigns, or is earlier removed.

7.3 Removal of Officers. Except as otherwise provided in this Section 7.3, any officer, employee or agent may be removed by the Board, with or without cause, whenever in the Board's judgment the best interests of the Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

7.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, the Secretary or the Board stating the effective date of his or her resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.5 Vacancies in Officers. Any vacancy occurring in any position as an officer may be filled by the Board. An officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

7.6 President. The President shall be the principal executive officer of the Association

and, subject to the control of the Board, shall direct, supervise, coordinate and have general powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board and of the Members.

7.7 Vice-President. Any Vice-President may act in place of the President in case of his or her death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board or by the President. There may be more than one Vice-President.

7.8 Secretary. The Secretary shall be the custodian of the records and the seal (if any) of the Association and shall affix the seal (if any) to all documents requiring the same; shall prepare, execute, certify, and record amendments to the Declaration on behalf of the Association; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of the Members, of the Board and of committees of the Board; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board or by the President. The Board may appoint one or more "Assistant Secretaries" who may act in place of the Secretary in case of his or her death, absence or inability to act.

7.9 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association in such depositories as shall be designated by the Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require; shall arrange for the annual report required under Section 8.4 of these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

7.10 Amendments to the Declaration. The President and, in the President's absence or unavailability, any Vice President, may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association, which amendments have first been lawfully approved by the Members.

ARTICLE VIII MISCELLANEOUS

8.1 Amendment of Bylaws. Except as provided in the Nonprofit Act, the Board may alter, amend or repeal these Bylaws or adopt new Bylaws after at least thirty (30) calendar days prior written notice to the Owners has been provided and the action has been discussed at a Board meeting after such notice has been provided. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with applicable provisions of CCIOA, the Nonprofit Act, the Declaration or the Articles. The Members may also

amend the Bylaws, subject to the same limitations on amendments set forth above in this Section 8.1 and any other limitations set forth in applicable provisions of CCIOA or the Nonprofit Act. The Bylaws and any amendments to them shall be recorded with the Ouray County Clerk and Recorder.

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

8.3 Books and Records. The Association shall keep books and records as required by law and the Association's Governing Documents and produce or not produce them as set forth in applicable provisions of CCIOA. The right of inspection shall also be subject to any reasonable rules adopted by the Board requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.

8.4 Annual Report. The Board shall cause to be prepared and distributed to each Member, not later than ninety (90) calendar days after the close of each fiscal year of the Association, an annual report of the Association containing (a) an income statement reflecting income and expenditures of the Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year; (c) a statement of changes in financial position for such fiscal year; and (d) a statement of the place of the principal office of the Association where the books and records of the Association, including a list of names and addresses of current Members, may be found. The financial statements of the Association may be audited by an independent public accountant at the discretion of the Board or in accordance with state law.

8.5 Statement of Account. Upon payment of a reasonable fee to be determined by the Association and upon written request of an Owner or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, the Association shall furnish a written statement of account setting forth the amount of any unpaid Assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Lot or the Owner of the Lot and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other Assessments have then been levied.

8.6 Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, annual corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

8.7 Fiscal Year. The fiscal year of the Association shall be a calendar year, unless another

period of time is established by the Board.

8.8 Seal. The Board may, but is not required to, adopt a seal which shall have inscribed thereon the name of the Association and the words “SEAL” and “COLORADO.”

8.9 Shares of Stock and Dividends Prohibited. The Association shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Members, directors or officers. Notwithstanding the foregoing paragraph, the Association may issue certificates evidencing Membership in the Association, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

8.10 Minutes and Presumptions. Minutes or any similar records or the meetings of the Members, or of the Board, when signed by the Secretary or acting secretary of the meeting, shall be presumed to truthfully evidence the matters set forth in those Minutes. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

8.11 Checks, Drafts and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board. In the absence of a resolution to the contrary adopted by the Board, all checks will be signed by at least two (2) members of the Board. All contracts, except for routine work orders for services of less than one thousand dollars (\$1,000.00), shall be signed by one member of the Board or the Board’s designee as authorized by the Board as documented in minutes of the Board or lawful action taken by the Board without a meeting.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of the Owners Association of Elk Meadows Estates, Incorporated, a Colorado nonprofit corporation (the “Association”); and

2. The foregoing Amended and Restated Bylaws constitute the Bylaws of the Association duly adopted by the Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this ____ day of _____, 20____.

Secretary