

BYLAWS  
OF  
PLEASANT VALLEY VISTA FILING NO. 2 HOMEOWNERS ASSOCIATION, INC.

ARTICLE I  
GENERAL

The Pleasant Valley Vista Filing No. 2 Homeowners Association, Inc., a nonprofit corporation ("Homeowners Association") shall govern the Pleasant Valley Vista Subdivision, Filing No. 2 ("Subdivision").

The objective of the Homeowners Association is to establish and maintain the highest possible quality and value, and to enhance and protect the value, attractiveness, and desirability of the lots and Common Area included in the Subdivision.

All present or future owners of lots or homes in the Subdivision are subject to the provisions of these Bylaws. Acquisition, rental or occupancy of lots or homes in the Subdivision shall constitute acceptance and ratification of the Bylaws and shall signify that they will be complied with.

ARTICLE II  
MEMBERSHIP

1. Membership. Membership in the nonprofit corporation shall be governed by Article II of the Declaration of Conditions and Restrictions recorded at Reception No. 169662 of the real property records of Arapahoe County, Colorado ("Declaration") and Article V of the Pleasant Valley Vista Homeowners Association's Articles of Incorporation.

2. Transfer of membership. A membership in the nonprofit corporation and the share of a member in the assets of the nonprofit corporation shall not be transferred, pledged or alienated in any way except by deed of title to the owner's lot, and then only to the transferee with title to such lot. The nonprofit corporation shall be entitled to treat the person whose membership is recorded on the books and records of the nonprofit corporation as a member at all times as evidence of transfer of title, satisfactory to the secretary. The right to vote may not be severed or separated from the membership, which it is appurtenant, and any sale, transfer or conveyance of such lot to a third party shall operate to transfer the appurtenant vote without the requirement of any separate instrument thereunto in the instrument of conveyance.

3. Voting Rights. The classes of voting membership in the nonprofit corporation shall be governed by Article II of the Declaration and Article VI of the Articles of Incorporation. Where the vote of the members is required or permitted by the Declaration, the statutes of the State of Colorado, the Articles of Incorporation or these Bylaws, any one of the co-owners of a membership present or represented by proxy for the purpose shall be permitted to vote. Proxies must be executed in writing by the owner or co-owner or his duly authorized attorney-in-fact and must be filed with the secretary at the appointed time during each meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The nonprofit corporation may suspend the voting rights of a member for failure to comply with rules or regulations of the nonprofit corporation or for failure to comply with any other obligations of the owners under the Declaration, Articles of Incorporation or these Bylaws.

4. Annual Meeting. Annual meetings of the members shall be for the purpose of voting on such matters as properly may come before the meeting. Annual meetings shall be held on the second Tuesday of the month of January of each year beginning in January, 2000. The annual meeting shall be at a convenient location in Ouray County, Colorado, to be selected by the Board of Directors. Directors shall be elected at each such annual meeting.

5. Special Meetings. Special meetings of the members may be called at any time by the president or by a majority of the Board of Directors or by sixty percent (60%) affirmative vote of the membership, and shall be held at a convenient location in Ouray County, Colorado, to be selected by the persons calling the meeting.

6. Notices; Waiver. Notices of annual and special meetings of the members must be given in writing and must state the date, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, by or at the direction of the president, or the secretary, or the persons calling the meeting, and shall be given to each owner or co-owner of a membership entitled to vote at such meeting.

Any notice given pursuant to this Article II shall be deemed to be delivered when deposited in the United States mail addressed to such owner or co-owner at his address as it appears on the records of the nonprofit corporation, with postage prepaid.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

7. Quorum; Vote Required for Action; Adjournment. The owners of at least three (3) lots, represented in person or by proxy, shall constitute a quorum at any meeting of the members. If a quorum exists, the action of a majority of the votes present or represented by proxy shall be the

act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting from time to time without further notice other than announcement at the meeting.

8. Order of Business. The order of business at all meeting of the members shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver;
- (c) Reading of minutes of previous meeting;
- (d) Reports of Officers;
- (e) Reports of Committees;
- (f) Old business;
- (g) New business;
- (h) Adjournment.

9. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the owners of memberships entitled to vote with respect to the subject matter thereof.

### ARTICLE III BOARD OF DIRECTORS

1. Number. The Board of Directors ("Board") shall consist of three (3) members. The number of directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to fewer than two, nor increased to more than five; and, provided further, that no decrease in the number of directors by amendment of these Bylaws shall have the effect of shortening the term of any incumbent director.

2. Qualification; Election; Term. Directors must be members of the nonprofit corporation. Directors need not be residents of the State of Colorado. Directors shall be elected by the members of the nonprofit corporation at their annual meeting as provided above. Directors named in the Articles of Incorporation shall serve until the annual meeting in 2000, or until their successors are duly elected and qualified. Directors shall be elected for a term of one year, or until their successors are duly elected and qualified.

3. Removal; Resignation. At any meeting of the members, the notice of which indicates such purpose, directors may be removed in the manner provided by the statutes of Colorado. Any director may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

4. Vacancies. Any vacancy in the Board and any directorship to be filled by reason of an increase in the number of directors may be filled by an affirmative vote by a majority of the remaining directors, though less than a quorum, of the Board. A director selected to fill a vacancy on the Board shall hold office for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be filled by the Board for a term of office continuing only until the next election of directors.

5. Meetings. There shall be a regular annual meeting of the Board immediately following the annual meeting of the members of the nonprofit corporation, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the president, or upon written request delivered to the secretary of the nonprofit corporation, by any two directors.

6. Notices; Waivers. Three (3) days' notice of special meetings shall be given to each director by the secretary. Such notice may be given in person, orally, or in writing to each director. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need to be specified in the notice or waiver of notice of such meeting.

Written waiver of notice signed by a director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. Quorum; Vote Required; Adjournment. At any meeting of the Board, a majority of the number of directors acting and qualified as directors shall constitute a quorum for the transaction of business. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise specifically required by law, the Articles of Incorporation or these Bylaws. If a quorum does not exist, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting.

8. Meeting by Electronic Device. Members of the Board may participate in a meeting by means of a conference telephone, videolink or similar communication equipment if all persons participating in the meeting can hear and speak to each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

9. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the Board, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter thereof.

10. Compensation. By resolution of the Board, any director may be paid any one or more of the following: his expenses, if any, of attendance at meetings; a fixed sum for attendance at each meeting; or a stated salary as director. No such payment shall preclude any director from serving the nonprofit corporation in any other capacity and receiving compensation therefor.

11. Fidelity Bonds. The Board may require that all officers and employees of the nonprofit corporation who handle or are responsible for nonprofit corporation funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid for by the nonprofit corporation.

#### ARTICLE IV OFFICERS

1. General. The officers of the nonprofit corporation shall consist of a president, a vice president, and a secretary/treasurer, each of whom shall be appointed by the Board to serve for terms not exceeding one (1) year as prescribed by the Board. The Board may appoint such other officers, agents, factors and employees as it may deem necessary or desirable. Officers may be, but need not be, directors or owners or co-owners of memberships in the nonprofit corporation. Any person may hold two or more offices simultaneously, except that the president shall not hold any other office.

2. President. The president shall be the principal executive officer of the nonprofit corporation and, subject to the control of the Board, shall direct, supervise, coordinate and have general control over the affairs of the nonprofit corporation, and shall have powers generally attributable to the chief executive officer of a nonprofit corporation. The president shall preside at all meetings of the members of the nonprofit corporation.

3. Vice President. The vice president may act in place of the president in case of his or her death, absence, inability or failure 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.

4. Secretary. The secretary shall be the custodian of the records and of the seal of the nonprofit corporation and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with provisions of these Bylaws and as required by law, and that the books, reports, and other documents and records of the nonprofit corporation are properly kept and filed; shall keep minutes of the proceedings of the members and the Board; shall keep at the registered office of the nonprofit corporation a record of the names and addresses of the owners and co-owners entitled to vote; 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, inability or failure to act.

5. Treasurer. The treasurer shall have charge and custody of, and be responsible for, all funds and securities of the nonprofit corporation, shall deposit all such funds in the name of the corporation in such depositories as shall be designated by the Board; shall keep correct and complete records of account and records of financial transactions and condition of the nonprofit corporation and shall submit such reports thereof as the Board may, from time to time, require; 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, inability or failure to act.

6. Removal of Officers. Any officer may be removed by the Board whenever, in their best judgment, the best interests of the nonprofit corporation will be served thereby.

7. Compensation. Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of an officer, agent, factor or employee shall not of itself create contractual rights to compensation for services performed as such officer, agent, factor or employee.

ARTICLE V  
RIGHTS, POWERS AND DUTIES OF THE ASSOCIATION

The nonprofit corporation shall have all of the rights, powers and duties set forth in the Declaration and Articles of Incorporation, including to the extent not inconsistent therewith, the power to employ agents, promulgate and adopt rules, policies and procedures and to exercise such other powers as are reasonable or necessary to carry into effect the nonprofit corporation's purposes.

ARTICLE VI  
ARCHITECTURAL CONTROL

Architectural Control shall be governed by Article III of the Declaration. In addition, the following provisions shall apply to the Architectural Control Committee as established by the Declaration:

1. Resignations. Any member or alternate member of the Architectural Control Committee may at any time resign from the committee, upon written notice delivered to the Board.
2. Vacancies. Vacancies on the Architectural Control Committee, however caused, shall be filled by the Board.
3. Disbandment. By a majority vote of the Board, the Architectural Control Committee may be disbanded.
4. Duties. It shall be the duty of the Architectural Control Committee to administer and enforce the Declaration as to architectural and design matters. Further, the Architectural Control Committee may adopt reasonable rules in the performance of its duties.
5. Meetings and Compensation. The Architectural Control Committee shall meet from time to time as necessary properly to perform its duties hereunder. The vote or written consent of any two (2) members shall constitute an act by the committee unless the unanimous decision of its members is otherwise required by these Bylaws. Members of the Architectural Control Committee shall receive such compensation for services rendered as may be fixed by the Board at its discretion; provided, however, that no director who is also a member of the Architectural Control Committee shall participate in determining such compensation. All members of the committee shall be entitled to reimbursement for reasonable expenses necessarily incurred by them in the performance of any Architectural Control Committee function.

6. Architectural Control Committee Rules. The Board shall review and may approve any rules adopted by the Architectural Control Committee, including any amendments to such rules. Such rules shall not be effective unless approved by the Board. Such rules shall interpret and implement the provisions of the Declaration, Articles and these Bylaws and may set forth specific standards and procedures for review of any Architectural design, placement of buildings, landscaping, exterior finishes and materials and other features for use in the Subdivision.

7. Waiver. The approval of the Architectural Control Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Architectural Control Committee under the Declaration shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

8. Liability. The Architectural Control Committee's liability shall be limited as set forth in the Article III of the Declaration and Article VIII of the Articles of Incorporation.

## ARTICLE VII INDEMNIFICATION

1. Indemnification. The corporation shall indemnify its officers, directors, employees and agents who are threatened to be made, or are made, a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, arising out of such person serving at the request of the corporation as a director, officer, employee or agent to the fullest extent and subject to the qualifications and requirements of article 129 of title 7, C.R.S., including the advance of expenses.

2. Standard of Conduct. Any indemnification permitted hereunder, including the advance of expenses, shall be made upon the determination that such Board member, officer, employee or agent has met the applicable standard of conduct set forth in section 7-129-102, C.R.S. Such determination shall be made, including the advance of expenses, in accordance with section 7-129-106, C.R.S.

3. Insurance. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or who is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity arising out of the status of such, whether



or not the corporation would have the power to indemnify him against such liability under the provisions of this Article VII.

## ARTICLE VIII AMENDMENTS

1. Articles of Incorporation. The Board shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of members entitled to vote thereon, which may be either an annual or special meeting. The question shall also be submitted whenever at least one-fifth of the members entitled to vote thereon so request. Written notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each member entitled to vote at such meeting within the time and in the manner provided for the giving of notice of meetings of members in these Bylaws. The proposed amendment shall be adopted upon receiving at least two-thirds of the votes which members present at such meeting or represented by proxy are entitled to cast. The Articles of Amendment shall be executed and acknowledged in duplicate by the president or vice president and by the secretary and submitted to the Colorado Secretary of State as required by law.

2. Bylaws. These Bylaws may at any time and from time to time be amended, altered or repealed by the Board, or by vote of the membership of the nonprofit corporation at any annual or special meeting, provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.

3. Limitation on Amendments. No amendment of the Articles of Incorporation or of these Bylaws shall be contrary to or inconsistent with any provision of the Declaration.

## ARTICLE IX NONPROFIT CORPORATION

This corporation is not organized for profit. No dividends shall be declared or paid to any member of this nonprofit corporation.

## ARTICLE X DISSOLUTION

Upon dissolution of the corporation, the Board shall provide for the distribution of all assets and liabilities of the corporation in the following manner:

1. All liabilities and obligations of the corporation shall be paid and discharged, or adequate provisions shall be made therefor.

2. Assets held by the corporation on condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred, or conveyed in accordance with such requirement.

3. Assets received and held by the corporation, subject to limitations permitting their use only for charitable, scientific, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance by reason of the dissolution shall be transferred or conveyed to one or more domestic or foreign corporations, societies, or organizations engaged in activities similar to those of this corporation, in accordance with a plan of distribution adopted pursuant to the Colorado Revised Nonprofit Corporation Act which is not inconsistent with these Bylaws.

4. Assets received and held by the corporation not subject to liabilities, conditions or use limitations, as specified in paragraphs 1, 2 and 3 above, shall be distributed to the members pro-rata according to their ownership interests.

5. Any remaining assets may be distributed to such persons, societies, organizations, governmental entities, political subdivisions, or domestic or foreign corporations, whether for-profit or nonprofit, as may be specified in a plan of distribution adopted pursuant to the Colorado Revised Nonprofit Corporation Act which is not inconsistent with these Bylaws.

#### ARTICLE XI CONTRACTS, CONVEYANCES, CHECKS AND MISCELLANEOUS

1. Contracts. The Board may authorize any officer or agent of the nonprofit corporation to enter into any contract or execute and deliver any instrument in the name of the nonprofit corporation, except as otherwise specifically required by the Articles of Incorporation, Declaration or by these Bylaws.

2. Conveyances and Encumbrances. Corporate property may be conveyed or encumbered by authority of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the president or vice president and by the secretary or an assistant secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the president or a vice president or the treasurer, or shall be signed by such other officer of the nonprofit corporation as shall be duly authorized by resolution of the Board.

4. Fiscal Year. The fiscal year of the nonprofit corporation shall be the calendar year.

5. Seal. The Board may adopt a corporate seal of such design as it may deem appropriate.

6. Records. All members of the nonprofit corporation and other persons entitled to inspect the records of the nonprofit corporation, shall have the right to inspect the records of the nonprofit corporation at reasonable times during business hours.

These Bylaws shall be effective as of June 3, 1999.

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Myra E. Wine, Secretary