

BYLAWS

OF

ROCKY MOUNTAIN VILLAGE MASTER ASSOCIATION, INC.

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**BYLAWS
OF
ROCKY MOUNTAIN VILLAGE MASTER ASSOCIATION, INC.**

1. GENERAL.

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Rocky Mountain Village Master Association, Inc. (the "Master Association"). The Master Association has been organized as a Colorado corporation under the Colorado Nonprofit Corporation Act to act as the Master Association under the Declaration of Covenants, Conditions and Restrictions for Rocky Mountain Village ("Declaration"). The Declaration has been or will be executed by McWhinney Holding Company, L.L.C., a Colorado limited liability company ("Declarant"). The Declaration relates to real property in Larimer County, Colorado, which becomes subject to the Declaration ("Common Interest Community").

1.2 Terms Defined in the Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition as in the Declaration.

1.3 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado Nonprofit Corporation Act, the Declaration and the Articles of Incorporation of the Master Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

2. OFFICES.

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Master Association provided that, until such time as suitable quarters can reasonably be obtained within the Annexed Property, the principal office of the corporation shall be located at 200 East Seventh Street, Suite 314, Loveland, Colorado, 80537.

2.2 Registered Office and Agent. The Colorado Nonprofit Corporation Act requires that the Master Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Master Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Master Association but may be changed by the Master Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

3. MEMBERS.

3.1 Members. A "Member," as defined in the Declaration, is a Person, or if more than one, all Persons collectively, who constitute the Owner of a Lot.

3.2 Memberships Appurtenant to Lots. Each Membership shall be appurtenant to the fee simple title to a Lot. The Person or Persons who constitute the Owner of fee simple title to a Lot shall automatically be the holder of the Membership appurtenant to that Lot and the Membership shall automatically pass with fee simple title to the Lot.

3.3 Voting Rights of Members. The Master Association shall have two (2) classes of voting membership unless and until the Class B Member no longer exists, thereafter there shall be only one (1) class of Members:

Class A: Class A Members shall be all of the Owners including Declarant. Class A Members shall be entitled to one (1) vote for each 100 square feet of real property within such Owner's Lot. When more than one (1) person shall hold an ownership interest or interests in any Lot all such persons shall be Members, and the vote(s) provided for herein as a result of such joint ownership shall be exercised among themselves as they shall determine.

Class B: Declarant shall be the sole Class B Member and shall be entitled to five (5) votes for each 100 square feet of real property within any Lot(s) owned by Declarant. The Class B membership shall cease and terminate upon the first to occur of the following: (a) when Declarant or any affiliate or subsidiary of Declarant no longer owns or occupies any portion of the Annexed Property; or (b) at such time as Declarant voluntarily relinquishes or is deemed to have relinquished its role as Declarant.

For the purposes of determining the number of votes to be allocated to a Lot hereunder, the determination of the number of square feet of real property located within a Lot shall be based upon the total square footage contained within such Lot as depicted on the plat for such Lot or by such other method determined by the Board of Directors; provided that such method is generally accepted in the commercial real estate industry. The Master Association shall maintain records which indicate the number of votes allocated to each Lot as provided hereunder. Unless expressly provided herein, all voting requirements stated herein shall be based upon the total number of Class A and Class B votes entitled to vote. For example, any provision herein requiring the vote of a majority of the Members shall mean the majority of the votes based upon the total number of Class A and Class B votes.

3.4 Voting by Joint Owners. If there is more than one person who constitutes the Owner of a Lot, each such Person shall be entitled to attend any meeting of Members, but the voting power attributable to the Lot shall not be increased. In all cases in which more than one Person constitutes the Owner of a Lot, including instances in which a Lot is owned by a husband and wife, then, unless written notice to the contrary, signed by any one of such Persons, is given to the Board of Directors of the Master Association prior to the meeting, only one such Person shall be entitled to cast, in person or by proxy, the vote attributable to the Lot. If, however, more than one Person constituting such Owner attends a meeting in person or by proxy, then such Persons shall designate one Person to vote on behalf of such Owner, and the vote of such person shall be the vote attributable to such Lot.

3.5 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 Members, the Board of Directors of the Master Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended; provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of Declarant to vote or relating to the manner of exercise by Declarant of its voting rights. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of Members has been duly called pursuant to the provisions of these Bylaws and a quorum is present.

3.6 Suspension of Voting Rights. The Board of Directors may suspend, after Notice and Hearing, as hereinafter defined, the voting rights of a Member during any period of breach by such Member of any provision of the Declaration or of any Rule or Regulation adopted by the Master Association including, but not limited to, the failure to pay any assessment pursuant to the Declaration, and for a period of up to 10 days following the cure of any such breach by such Member; provided, however, such Notice and Hearing shall not be required where a Member has failed to pay any assessment levied in accordance with the provisions of the Declaration.

3.7 Determination of Member Voting Percentage. Notwithstanding anything to the contrary contained herein, only Members whose voting rights are in good standing (e.g., voting rights which have not been suspended as provided herein) shall be entitled to vote on Master Association matters. In accordance therewith, any and all provisions contained herein requiring the approval of a requisite percentage of Members of the Master Association shall be deemed satisfied when the requisite percentage of Members entitled to vote has been met.

3.8 Transfer of Memberships on Master Association Books. Transfers of Memberships shall be made on the books of the Master Association only upon presentation of evidence, satisfactory to the Master Association, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Master 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.

3.9 Assignment of Voting Rights to Tenants and Mortgagees. A Member may assign his right to vote to a tenant occupying his Lot or to a Mortgagee of his Lot for the term of the lease or the Mortgage and any sale, transfer or conveyance of the Lot shall, unless otherwise provided in the document of sale, transfer or conveyance, be subject to any such assignment of voting rights to any tenant or Mortgagee. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Master Association.

4. MEETINGS OF MEMBERS.

4.1 Place of Members' Meetings. Meetings of Members shall be held at the principal office of the Master Association or at such other place, within or convenient to the Annexed Property, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held in February of each year beginning in 1996 on such day and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting; provided that the Board of Directors shall be entitled to change the month of the annual meeting at any time in its sole and absolute discretion. The annual meetings shall be held to transact such business as may properly come before the meeting.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board of Directors of the Master Association, the president of the Master Association, the Declarant or by Class A Members holding not less than 20% of the total votes of all Class A Members entitled to vote, including Class A votes of Declarant, or by Members holding not less than 20% of the total votes of all Members entitled to vote, including Class B votes of Declarant. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board of Directors of the Master Association may fix, in advance, a date as the record date for any such determination of Members. The record date shall be not more than 50 days prior to the meeting of Members or the event requiring a determination of Members.

4.5 Notice of Members' Meetings. Written notice stating the place, day and hour or any meeting shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Master Association or the officers or persons calling the meeting, to each Member entitled to vote at such meeting. The notice of an annual meeting shall identify any matter which it is known may come before the meeting

including, but not limited to, the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Master Association, with postage thereon prepaid. Such notice may be posted in a conspicuous place in the Annexed Property, such as on a notice board outside the principal office of the Master Association, and such notice shall be deemed to be delivered to any Member upon such posting if such Member has not furnished an address for mailing of notice to the Master Association.

4.6 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Chairman of the meeting prior to the time the proxy is exercised. Any proxy may be revocable by attendance of a Member in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the conveyance by a Member of the Lot of the Member and the transfer of the Membership on the books of the Master Association. No proxy shall be valid: (a) 60 days after the date of its execution unless otherwise provided in the proxy; and in any event, for no more than 11 months after the date of its execution; (b) unless the signatures of the Members providing the proxy are notarized; (c) unless the proxy contains the signature of all Members entitled to vote such interest; and (d) unless the proxy states the specific purpose and the specific meeting for which it was granted. Any form of proxy furnished or solicited by the Master Association and any form of written ballot furnished by the Master Association shall afford an opportunity thereon for Members to specify 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 shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles of Incorporation 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 ten percent (10%) of the votes of all Members entitled to vote (including Class A and Class B votes) shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of Members, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Members entitled to cast at least five percent (5%) of the votes of all Members (i.e. Class A Members and Class B Members), shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

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 shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall 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.

4.9 Vote Required at Members' Meetings. At any meeting, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws. As provided in Section 3.3 hereof, all voting requirements

stated herein shall be based upon the total number of Class A and Class B votes entitled to vote on the matter being voted upon.

4.10 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; and (d) the conducting of the business for which the meeting was called.

4.11 Chairman of Meetings. At any meeting, the Members present shall select a Chairman and Secretary of the meeting; only if the Chairman and Secretary are absent.

4.12 Expenses of Meetings. The Master Association shall bear the expenses of all annual meetings of Members and of special meetings of Members.

4.13 Waiver of Notice. A waiver of notice of any meeting of 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.

4.14 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of 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 Members entitled to vote with respect to the subject matter thereof.

5. BOARD OF DIRECTORS.

5.1 General Powers and Duties of Board. The Board of Directors shall have the duty to manage and supervise the affairs of the Master Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Master Association, all of the powers, rights and authority of the Master Association, not reserved to Members, and provided in the Declaration, the Articles of Incorporation, these Bylaws, and/or the Colorado Nonprofit Corporation Act, as the same may be amended from time to time.

5.2 Special Powers and Duties of Board. Without limiting the foregoing statement or general powers and duties of the Board of Directors or the powers and duties of the Board of Directors as set forth in the Declaration, the Board of Directors of the Master Association shall be vested with and responsible for the following specific powers and duties:

(a) **Assessments.** The duty to fix and levy from time to time as it deems necessary Common Assessments, Special Assessments and any other assessments upon the Members of the Master Association as provided in the Declaration; to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Declaration.

(b) **Taxes.** The duty to pay all taxes and assessments levied upon the Common Areas and all taxes and assessments payable by the Master Association. The Board of Directors shall also have the power to contest any such taxes or assessments in accordance with the provisions contained in the Declaration.

(c) *Insurance.* The duty to contract and pay premiums for fire and casualty and blanket liability and other insurance in accordance with the provisions of the Declaration.

(d) *Common Area.* The duty and power to contract for and pay bills for maintenance, legal service, accounting service, gardening, common utilities and other materials, supplies and services relating to the Common Areas and Lot Common Areas, tracts adjacent to the Common Areas and Lot Common Areas and perimeter fencing located along the boundaries of the Annexed Property, and to employ personnel necessary for the care and operation of the Common Areas, Lot Common Areas and tracts adjacent to the Common Areas and Lot Common Areas, and to contract and pay for necessary Improvements on the Common Areas or Lot Common Areas.

(e) *Agents and Employees.* The power to select, appoint, and remove all officers, agents, and employees of the Master Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board.

(f) *Borrowing.* The power, with the approval of Members representing at least eighty percent (80%) of the voting power of the Master Association (exclusive of the voting power of those Members not entitled to cast votes), to borrow money and to incur indebtedness for the purposes of the Master Association, and to cause to be executed and delivered therefor, in the Master Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

(g) *Enforcement.* The power to enforce the provisions of the Declaration, the Rules and Regulations, these Bylaws or other agreements of the Master Association.

(h) *Delegation of Powers.* The power to delegate its powers according to law.

(i) *Easements.* The power to grant easements where necessary for utilities and other facilities over the Common Areas and Lot Common Areas to serve the Annexed Property as set forth in and limited by the Declaration and to grant and convey such other easements as the Board of Directors deems prudent including, but not limited to, easements which benefit property located outside the Annexed Property.

(j) *Rules and Regulations.* The power to adopt such Rules and Regulations as the Board may deem necessary for the management of the Annexed Property. Such Rules and Regulations may concern, without limitation, use of the Common Areas, Lot Common Areas, signs, parking restrictions, collection and disposal of refuse, minimum standards of property maintenance consistent with the Declaration and the standards adopted by the Design Review Committee, and any other matters within the jurisdiction of the Master Association as provided in the Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles and these Bylaws.

(k) *Annexations.* The power to annex additional real property to the Annexed Property as more fully provided in the Declaration.

5.3 Qualifications of Directors. A Director may be any natural person and need not be an Owner of a Lot within the Annexed Property. A Director may be reelected and there shall be no limit on the number of terms a Director may serve.

5.4 Number of Directors. The initial number of Directors of the Master Association shall be three. The number of Directors may be increased upon the affirmative vote of a majority of the Members provided that the number of Directors shall not be less than three and no decrease in number shall have the effect of shortening the term of any incumbent director.

5.5 Appointment, Election and Term of Office. At the first annual meeting of the membership following the filing of the Articles, the three (3) Directors shall be elected by the Members, including Declarant, if Declarant is the owner of any Lot in the Annexed Property. The Directors shall be elected for a term of one year each. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of one (1) year.

5.6 Removal of Directors. At any meeting of Members, the notice of which indicates such purpose, any Director may be removed, with or without cause, by vote of two-thirds (2/3) of the Members of the Master Association entitled to vote and a successor may be then and there elected to fill the vacancy thus created.

5.7 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, the Secretary or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.8 Vacancies in Directors. Any vacancy occurring in the Board of Directors shall, unless filled in accordance with Sections 5.5 and 5.6 or by election at a special meeting of Members, be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors may be present. Any Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. A Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members.

5.9 Executive Committee. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee, which shall consist of at least two Directors and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board of Directors except authority with respect to the matters specified in the Colorado Nonprofit Corporation Act as matters which such committee may not have and exercise the authority of the Board of Directors.

5.10 Other Committees of Master Association. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Members who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such Committee except such authority as can only be exercised by the Board of Directors.

5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors.

6. MEETINGS OF DIRECTORS.

6.1 Place of Directors' Meetings. Meetings of the Board of Directors shall be held at the principal office of the Master Association or at such other place, within or convenient to the Annexed Property, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Board of Directors shall be held on the same date as, or within 10 days following, the annual meeting of Members. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Master 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 of Directors shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Members at which the Board of Directors is elected or if the time and place of the annual meeting of the Board of Directors is announced at the annual meeting of such Members.

6.3 Other Regular Meetings of Directors. The Board of Directors shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by such resolution.

6.4 Special Meetings of Directors. Special meetings of the Board of Directors may be called by the President or any two members of the Board of Directors.

6.5 Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than three nor more than 50 days before the date of the meeting, by mail, telegraph, telephone or personally, by or at the direction of the persons calling the meeting, to each member of the Board of Directors. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the second business day after it is deposited in the mail addressed to the Director at his home or business address as either appears on the records of the Master Association, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered at 5:00 p.m. on the next calendar day after it is deposited in a telegraph office addressed to the Director at either such address, with all charges thereon prepaid. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director or to any person answering the phone who sounds competent and mature at this home or business phone number as either appears on the records of the Master Association. If given personally, such notice shall be deemed to be 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 his home or business address as either appears on the records of the Master Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

6.6 Proxies. A Director shall not be entitled to vote by proxy at any meeting of Directors.

6.7 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business.

6.8 Adjournment of Director's Meetings. Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall 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.

6.9 Vote Required at Directors' Meeting. At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast in a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

6.10 Order of Business. The order of business at all meetings of Directors shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.11 Officers at Meetings. The President will run any meeting of the Board of Directors and, if the Secretary is absent, the Board of Directors shall elect a Director to act as secretary at said meeting of Directors.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Board of Directors, 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 convened.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

7. OFFICERS.

7.1 Officers, Employees and Agents. The officers of the Master Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Directors. Officers need not be Directors. No person shall simultaneously hold more than one office except the offices of Secretary and Treasurer.

7.2 Appointment and Term of Office of Officers. The officers shall be appointed by the Board of Directors at the annual meeting of the Board of Directors and shall hold office, subject to the pleasure of the Board of Directors until the annual meeting of the Board of Directors or until their successors are appointed, whichever is later, unless the officer resigns, or is earlier removed.

7.3 Removal of Officers. Any officer, employee or agent may be removed by the Board of Directors, with or without cause, whenever in the Board's judgment the best interests of the Master 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, to the Secretary or to the Board of Directors stating the effective date of such 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 of Directors. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

7.6 President. The President shall be the principal executive officer of the Master Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Master Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board of Directors and of Members of the Master Association.

7.7 Vice President. The Vice President may act in place of the President in case of his 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 of Directors or by the President.

7.8 Secretary. The Secretary shall be the custodian of the records and the seal of the Master Association and shall affix the seal to all documents requiring the same; 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 Master Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members, of the Board of Directors and of committees of the Board; shall keep at the principal office of the Master 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 by the Board of Directors 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 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 Master Association; shall deposit all such funds in the name of the Master Association in such depositories as shall be designated by the Board of Directors; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Master Association and shall submit such reports thereof as the Board of Directors 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 by the Board of Directors 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 death, absence or inability to act.

8. INDEMNIFICATION OF OFFICIALS AND AGENTS.

8.1 Certain Definitions. A "Corporate Official" shall mean any Director, officer or Tribunal Member, as hereinafter defined, and any former Director, officer or Tribunal Member of the Master Association. A "Corporate Employee" shall mean any employee and any former employee of the Master Association. "Expenses" shall mean all costs and expenses, including attorneys' fees, liabilities, obligations, judgments and any amounts paid in reasonable settlement of a Proceeding. "Proceeding" shall mean any claim, action, suit or proceeding, whether threatened, pending or completed, and shall include appeals.

8.2 Right of Indemnification. The Master Association shall indemnify any Corporate Official and any Corporate Employee against any and all Expenses actually and necessarily incurred by or imposed upon him to the fullest extent provided by law. The right of indemnification shall not extend to any matter as to which such indemnification would not be lawful under the laws of the State of Colorado.

(a) **Standards of Conduct.** The Master Association shall indemnify any Corporate Official and any Corporate Employee against liability incurred in or as a result of the Proceeding if the Corporate Official or Corporate Employee: (i) conducted himself or herself in good faith; (ii) reasonably believed (A) in the case of a Director acting in his or her official capacity, that his or her conduct was in the Master Association's best interests, or (B) in all other cases, that the Corporate Official's or Corporate Employee's conduct was at least not opposed to the Master Association's best interests; and (iii) in the case of any criminal proceeding, the Corporate Official and Corporate Employee had no reasonable cause to believe his or her conduct was unlawful.

(b) **Settlement.** The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the Corporate Official or Corporate Employee did not meet the applicable standards of conduct as set forth in subsection 8.2(a).

8.3 Indemnification Prohibited. The right of indemnification shall not extend to matters as to which the Corporate Official or Corporate Employee: (i) has been adjudged liable for gross negligence or willful misconduct in the performance of the Corporate Official's or Corporate Employee's duty to the Master Association; or (ii) in connection with any Proceeding charging improper personal benefit to such Corporate Official or Corporate Employee, in which the party was adjudged liable on the basis that personal benefit was improperly received by such Corporate Official or Corporate Employee (even if the Master Association was not thereby damaged). Notwithstanding the foregoing, the Master Association shall indemnify such Corporate Official or Corporate Employee if and to the extent required by the court conducting the Proceeding, or any other court of competent jurisdiction to which such Corporate Official or Corporate Employee has applied, if it is determined by such court, upon application by such Corporate Official or Corporate Employee, that despite the adjudication of liability in the circumstances in clauses (i) and (ii) of this subsection 8.3 or whether or not the party met the applicable standards of conduct set forth in subsection 8.2(a), and in view of all relevant circumstances, the Corporate Official or Corporate Employee is fairly and reasonably entitled to indemnification for such expenses as the court deems proper in accordance with the Colorado Nonprofit Corporation Code.

8.4 Prior Authorization Required. Any indemnification under Section 8.2 (unless ordered by a court or in accordance with Section 8.5 below) shall be made by the Master Association only if authorized in the specific case after a determination has been made that the Corporate Official or Corporate Employee is eligible for indemnification in the circumstances because such Corporate Official or Corporate Employee has met the applicable standards of conduct set forth in subsection 8.2(a) and after an evaluation has been made as to the reasonableness of the Expenses. Any such determination, evaluation and authorization shall be made by the Board of Directors by a majority vote of a quorum of such Board, which quorum shall consist of Directors not parties to the Proceeding, or by such other person or body as permitted by law.

8.5 Success on Merits or Otherwise. Notwithstanding any other provision of this Article 8, the Master Association shall indemnify such Corporate Official or Corporate Employee to the extent that such party has been successful, on the merits or otherwise, including, without limitation, dismissal without prejudice or settlement without admission of liability, in defense of any Proceeding to which the party was a party against Expenses incurred by such party in connection therewith.

8.6 Advancement of Expenses. The Master Association may, but shall not be obligated to, pay for or reimburse the Expenses, or a portion thereof, incurred by a party in advance of the final disposition of the Proceeding if (a) the party furnishes the Master Association a written affirmation of such party's good faith belief that he or she has met the standard of conduct described in subsection 8.2(a)(i); (b) the party furnishes the Master Association a written undertaking, executed personally or on behalf of such party, to repay the advance if it is ultimately determined that the party did not meet such

standard of conduct; and (c) authorization of payment and a determination that the facts then known to those making the determination would not preclude indemnification under this Article have been made in the manner provided in Section 8.4. The undertaking required by clause (b) must be an unlimited general obligation of the party, but need not be secured and may be accepted without reference to financial ability to make repayment.

8.7 Payment Procedures. The Master Association shall promptly act upon any request for indemnification, which request must be in writing and accompanied by the order of court or other reasonably satisfactory evidence documenting disposition of the Proceeding in the case of indemnification under Section 8.4 and by the written affirmation and undertaking to repay as required by Section 8.5 in the case of indemnification under such Section 8.6. The right to indemnification and advances granted by this Article shall be enforceable in any court of competent jurisdiction if the Master Association denies the claim, in whole or in part, or if no disposition of such claim is made within 90 days after written request for indemnification is made. A party's Expenses incurred in connection with successfully establishing such party's right to indemnification, in whole or in part, in any such Proceeding shall also be paid by the Master Association.

8.8 Notification to Members. Any indemnification of or advance of Expenses to a Director (but not to any other party) in accordance with this Article, if arising out of a Proceeding by or on behalf of the Master Association, shall be reported in writing to the Members with or before the notice of the next meeting of Members.

8.9 Authority to Insure. The Master Association may purchase and maintain liability insurance on behalf of any Corporate Official or Corporate Employee against any liability asserted against him and incurred by him as a Corporate Official or Corporate Employee or arising out of his status as such, including liabilities for which a Corporate Official or Corporate Employee might not be entitled to indemnification hereunder.

8.10 Right to Impose Conditions to Indemnification. The Master Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as may appear appropriate to the Board of Directors in each specific case and circumstances, including, but not limited to, any one or more of the following: (a) that any counsel representing the party to be indemnified in connection with the defense or settlement of any proceeding shall be counsel mutually agreeable to the party and to the Master Association; (b) that the Master Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated, or threatened against the party to be indemnified; and (c) that the Master Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified party's right of recovery, and that the party to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Master Association.

8.11 Other Rights and Remedies. The indemnification provided by this Article shall be in addition to any other rights which a party may have or hereafter acquire under any law, provision of the Articles of Incorporation, any other or further provision of these Bylaws, vote of the Members or Board of Directors, agreement, or otherwise.

8.12 Applicability; Effect. The indemnification provided in this Article shall be applicable to acts or omissions that occurred prior to the adoption of this Article, shall continue as to any party entitled to indemnification under this Article who has ceased to be a Director, officer, or employee of the Master Association. The repeal or amendment of this Article or of any Section or provision hereof that would have the effect of limiting, qualifying, or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict, or otherwise affect the right or power of the Master Association to indemnify any

person, or affect any rights of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Article shall be deemed to be provided by a contract between the Master Association and each party covered hereby.

8.13 Indemnification of Agents. The Master Association shall have the right, but shall not be obligated, to indemnify any agent of the Master Association not otherwise covered by this Article to the fullest extent permissible by the laws of Colorado. Unless otherwise provided in any separate indemnification arrangement, any such indemnification shall be made only as authorized in the specific case in the manner provided in Section 8.3.

8.14 Savings Clause; Limitation. If this Article or any Section or provision hereof shall be invalidated by any court on any ground, or if the Colorado Nonprofit Corporation Act is amended in such a way as to affect this Article, then the Master Association shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of this Article that shall not have been invalidated.

9. MISCELLANEOUS.

9.1 Amendment of Bylaws. The Board of Directors shall not have the power to alter, amend or repeal these Bylaws or to adopt new Bylaws. The Members, at a meeting called for that purpose, shall have the sole power to alter, amend or repeal the Bylaws and to adopt new Bylaws by a majority of votes present at the meeting and entitled to vote hereunder, if a quorum is present. The Bylaws may contain any provision for the regulation or management of the affairs of the Master Association not inconsistent with law, the Declaration or the Articles of Incorporation. Notwithstanding anything to the contrary contained herein and to the extent permitted by the Act, prior to the termination of the Class B Membership, these Bylaws shall not be amended without Declarant's prior written consent and approval.

9.2 Compensation of Officers, Directors and Members. Directors and/ or Officer shall have the right to receive compensation from the Master Association for serving as such Director or Officer to the extent approved by the Board. Directors and Officers shall be entitled to be reimbursed for any expenses incurred by them in the performance of their duties hereunder as may be approved by resolution of disinterested members of the Board of Directors.

9.3 Books and Records. The Master Association shall keep correct and complete books and records of account and shall keep, at its principal office in Colorado, a record of the names and addresses of its Members, including Declarant, and copies of the Declaration, the Articles of Incorporation and these Bylaws which may be purchased by any Member at reasonable cost. All books and records of the Master Association, including the Articles of Incorporation, Bylaws as amended and minutes of meetings Members and Directors may be inspected by any Member, or his agent or attorney, and any first mortgagee of a Member for any proper purpose. The right of inspection shall be subject to any reasonable rules adopted by the Board of Directors 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.

9.4 Annual Report. The Board of Directors shall cause to be prepared and distributed to each Member and to each first mortgagee who has filed a written request therefor, not later than 90 days after the close of each fiscal year of the Master Association, an annual report of the Master Association containing (a) an income statement reflecting income and expenditures of the Master 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 Master Association where the books and records of the Master Association, including a list of names and addresses of current Members, may be found. The financial statements of the Master Association shall

be reviewed by an independent public accountant and a report based upon such review shall be included in the annual report.

9.5 Statement of Account. Upon written request of an Owner of a Lot 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 Master 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, the Owner of the Lot and the amount of the assessments for the current fiscal period of the Master Association payable with respect to the Lot. Such statement shall be issued within fourteen (14) business days after receipt of such request by the Master Association and, with respect to the party to whom it is issued, shall be conclusive against the Master 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.

9.6 Biennial Corporate Reports. The Master Association shall file with the Secretary of State of Colorado, within the time prescribed by law, biennial 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.

9.7 Fiscal Year. The fiscal year of the Master Association shall begin on January 1 and end the succeeding December 31 except that the first fiscal year shall begin on the date of incorporation. The fiscal year may be changed by the Board of Directors without amending these Bylaws.

9.8 Seal. The Board of Directors may adopt a seal which shall have inscribed thereon the name of the Master Association and the words "SEAL" and "COLORADO."

9.9 Shares of Stock and Dividends Prohibited. The Master 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 Master Association shall be distributed to its Members directors or officers. Notwithstanding the foregoing, the Master Association may issue certificates evidencing membership therein, 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.

9.10 Loans to Directors and Officers Prohibited. No loan shall be made by the Master Association to any Director or officer, and any Director or officer who assents to or participates in the making of any such loan shall be liable to the Master Association for the amount of such loan until the repayment thereof.

9.11 Limited Liability. As provided in the Articles of Incorporation and Declaration, the Master Association, the Board of Directors, the Design Review Committee, Declarant, and any Member, agent or employee of any of the same, shall not be liable to any 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.

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

9.13 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 Master

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 of Directors.

9.14 Execution of Documents. The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Master Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Master Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

10. NOTICE AND HEARING PROCEDURE.

10.1 Master Association's Enforcement Rights. In the event of an alleged violation by a Member ("Respondent") of the Declaration, these Bylaws or the Rules and Regulations, the Board of Directors shall have the right, after Notice and Hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board, to take any one or more of the following actions: (a) levy a Special Assessment as provided in the Declaration; (b) suspend or condition the right of said Member and anyone claiming through such Member to the use and enjoyment of any recreational or other facilities operated or maintained by the Master Association (to the extent any such Person is otherwise entitled to such use); (c) suspend said Member's voting privileges as a Member, as provided in the Declaration; provided, however, that the Board shall be entitled to suspend a Member's voting right without Notice and Hearing in the event such Member fails to pay any assessment levied pursuant to the terms and provisions of the Declaration; (d) levy a fine against such Member in an amount determined by the Board; or (e) Record a Notice of Noncompliance against the Lot of the Respondent. Any such suspension shall be for a period of not more than 30 days for any non-continuing infraction, but in the case of a continuing infraction (such as nonpayment of any Assessment after the same becomes delinquent) such suspension may be imposed for so long as the violation continues. The failure of the Board or the Design Review Committee to enforce the Rules and Regulations, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided in the Declaration or these Bylaws shall be cumulative and not be deemed exclusive. However, any individual Member must exhaust all available internal remedies of the Master Association prescribed by these Bylaws and the Rules and Regulations, before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, these Bylaws or the Rules and Regulations, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of Common Assessments or Special Assessments.

10.2 Written Complaint. A hearing to determine whether enforcement action under the Declaration or these Bylaws should be taken shall be initiated by the filing of a written Complaint by any Member or by any officer or member of the Board of Directors or the Design Review Committee with the President of the Master Association or other presiding member of the Board. The Complaint shall contain a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged and a reference to the specific provisions of the Declaration, these Bylaws or the Rules and Regulations which the Respondent is alleged to have violated.

10.3 Notice of Complaint and Notice of Defense. A copy of the Complaint shall be delivered to the Respondent in accordance with the notice provisions set forth in the Declaration, together with a statement which shall be substantially in the following form:

"Unless a written request for a hearing signed by or on behalf of the person named as Respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within 15 days after the Complaint was served upon you, the Board of

Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing the enclosed form entitled 'Notice of Defense' to the Board of Directors at the following address:

, Attn: _____. You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses or witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact _____."

The Respondent shall be entitled to a hearing on the merits of the matter if the Notice of Defense is timely filed with the Board of Directors. The Respondent may file a separate statement by way of litigation, even if he does not file a Notice of Defense.

10.4 Tribunal. The President shall appoint a hearing Committee ("Tribunal") of three natural Persons (the "Tribunal Members") upon receipt of a written Complaint as provided in Section 10.2 of these Bylaws. Members of the Tribunal need not be Members of the Master Association. In appointing the members of the Tribunal, the President should make a good faith effort to avoid appointing interested parties or any Members of the Master Association who are essential witnesses to the alleged violation giving rise to the Complaint. The decision of the President shall be final, except that the Respondent may challenge any member of the Tribunal for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence at the hearing. In the event of such a challenge, the Board of Directors shall meet to determine the sufficiency of the challenge, without the President voting. If such a challenge is sustained, the President shall appoint another member to replace the challenged member of the Tribunal. All decisions of the Board of Directors in this regard shall be final. The Tribunal shall elect a Chairman and appoint a hearing officer who shall take evidence and ensure that a proper record of all proceedings is maintained. There shall be no liability imposed upon any member of the Tribunal for any loss, damage or injury arising out of or in any way connected with the performance of the duties of the Tribunal unless due to the willful misconduct of the party to be held liable.

10.5 Notice of Hearing. The Tribunal shall serve a Notice of Hearing, as provided herein, on all parties at least 10 days prior to the hearing, if such hearing is requested by the Respondent. The hearing shall be held no sooner than 30 days after the Complaint is mailed or delivered to the Respondent as provided in Section 10.3 of these Bylaws. The Notice of Hearing to the Respondent shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held before a Tribunal appointed by the President of _____ Homeowners Master Association, Inc. at _____, Colorado _____, on the _____ day of _____, 19____, at the hour of _____, upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board of Directors of the Master Association."

10.6 Hearing.

(a) Oral evidence shall be taken only on oath or affirmation administered by an officer of the Master Association. The use of affidavits and written interrogatories in lieu of oral testimony shall be encouraged by the Tribunal.

(b) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine witnesses on any matter relevant to the issues; to impeach any witness; and to rebut the evidence against him. If respondent does not testify in his own behalf, he may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence in which responsible Persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil action. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitive evidence shall be excluded.

(d) Neither the accusing Member nor the Respondent must be in attendance at the hearing. The hearing shall be open to attendance by all Members of the Master Association to the extent of the permissible capacity of the hearing room.

(e) In rendering a decision, official notice may be taken at any time of any generally accepted matter within the Declaration, these Bylaws, the Rules and Regulations, or the working of the Master Association. Persons present at the hearing shall be informed of the matters to be noticed by the Tribunal, and these matters shall be made a part of the record of proceedings.

(f) The Tribunal may grant continuances on a showing of good cause.

(g) Whenever the Tribunal has commenced to hear the matter and a member of the Tribunal is forced to withdraw prior to a final determination by the Tribunal, the remaining members shall continue to hear the case and the hearing officer shall replace the withdrawing member.

10.7 Decision. If the Respondent fails to file a Notice of Defense as provided in Section 10.3 of these Bylaws, or fails to appear at a hearing, the Tribunal may take action based upon the evidence presented to it without notice to the Respondent. However, the Respondent may make any showing by way of mitigation. The Tribunal will prepare written findings of fact and recommendations for consideration by the Board of Directors. The Tribunal shall make its determination only in accordance with these Bylaws. After all testimony and documentary evidence has been presented by the Tribunal, the Tribunal shall vote by secret written ballot upon the matter, with a majority of the entire Tribunal controlling. Disciplinary action and levy of a Special Assessment under the Declaration, these Bylaws or Rules and the Regulations shall be imposed only by the Board of Directors and in accordance with the findings and recommendations of the Tribunal. The Board of Directors may adopt the recommendations of the Tribunal in their entirety or the Board may reduce the proposed penalty and adopt the balance of the recommendations. In no event shall the Board impose more stringent enforcement action than recommended by the Tribunal. The decision of the Board shall be in writing and shall be served and posted in the same manner as the findings and recommendations of the Tribunal. The decision of the Board shall become effective 10 days after it is served upon the Respondent, unless otherwise ordered in writing by the Board of Directors. The Board may order a reconsideration at any time within 15 days following service of its decision on the involved persons, on its own motion or on petition by any party. However, no action against the Member arising from the alleged violation shall take effect prior to the expiration of the later of (a) 15 days after the Member's receipt of the Notice of Hearing; or (b) five days after the hearing required herein.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Rocky Mountain Village Master Association, Inc., a Colorado non-profit corporation ("Master Association"); and

2. The foregoing Bylaws, comprising 18 pages including the subsequent page, constitute the Bylaws of the Master Association duly adopted by unanimous consent of the Board of Directors of the Master Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand and affixed the seal of the Master Association this _____ day of _____, 1996.

(SEAL)

Secretary

