

Homefield

**BY-LAWS OF
TIMBERLANE HEIGHTS HOMEOWNERS ASSOCIATION
A COLORADO NONPROFIT CORPORATION**

ARTICLE I: ELIGIBILITY FOR MEMBERSHIP

Membership in the Association, except for Membership of the first Board of Directors, shall be limited to record Owners of Lots in the Timberlane Heights Subdivision, which are subject to Declaration of Covenants, Conditions and Restrictions of the Timberlane Heights Homeowners Association. Said premises are located in the County of Grand, State of Colorado, and are more particularly described in the Declaration of Covenants, Conditions and Restrictions for Timberlane Heights Homeowners Association as same are recorded in the public records of Grand County, Colorado, as hereafter amended.

Every person who is a record Owner of a Lot shall be a Member of the Association. One (1) Membership in the Association shall be issued to the record Owner of each Lot, or in the event that there shall be more than one such Owner of a Lot, the collective Owners shall have a joint and single Membership for each such Lot, issued in the names of all the Owners, and such Owners shall designate to the Association, in writing, at the time of issuance, one (1) person who shall hold the Membership and have the power to vote such Membership. The record Owners of all Lots collectively shall constitute all of the Members and no Membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding Memberships assigned to new record Owners of Lots.

The Association shall have one (1) class of voting Membership.

In the event of a deadlock on any matter coming before the Members for vote, such deadlock, if not broken within thirty (30) days of its occurrence, shall be submitted to the Board of Directors of the Association for decision. If the Board of Directors is unable to make a decision with the affirmative vote of two thirds (2/3) of the Board of Directors then eligible to vote such decision shall be submitted to arbitration under the rules of the American Arbitration Association. The results of such an arbitration shall be binding upon the Membership and, obtaining such an arbitrated decision shall be a condition precedent to the initiation of any court action. Any such action shall be initiated in a court of competent jurisdiction.

ARTICLE II: MEMBERS

2.1. ANNUAL MEETINGS. The first annual meeting of the Members of the Association shall be held on April 30, 1997. Thereafter, the meeting of the Members shall be held annually on the anniversary date thereof, or at such other time as the Members may, by majority vote, approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of the Articles and these By-Laws. The Members may also transact such other business of the Association as may properly come before them.

2.2. SPECIAL MEETINGS. Special meetings of the Members for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors or upon a petition signed by twenty-five percent (25%) of the Members. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all of the Members present, either in person or by proxy.

X 2.3. ACTION WITHOUT MEETING. Any action required or permitted to 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 is signed by all of the Members who would have been entitled to vote on the action had a meeting been held. Such action shall be effective on the date such consent is received by the Association.

2.4. MEETING BY TELECOMMUNICATION. Any or all of the Members may participate in a meeting by or through 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 shall be deemed to be present in person at the meeting.

2.5. NOTICE OF SPECIAL MEETING. The President or Secretary shall give or cause to be given notice of the time, place, and purpose of holding each special meeting by mailing or hand delivering such notice at least ten (10) days prior to such meeting to each Member at the respective addresses of said Members as they appear on the records of the Association.

2.6. QUORUM. The presence, either in person or by proxy, of at least a majority of the eligible vote of the Membership shall constitute a quorum of the Members for all purposes unless the representation of a larger group shall be required by law, the Articles or these By-Laws, and in that event, representation of the number so required shall constitute a quorum.

2.7. VOTING RIGHTS. Each Lot Owner, or if more than one, the designated voting Owner, shall be entitled to one (1) vote for each Lot owned.

2.8. ADJOURNMENT OF MEETINGS. If the number of Members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority interest of the Members present in person or by proxy, may adjourn the meeting, from time to time, without notice other than an announcement at the meeting until the necessary number of Members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

2.9. PROXIES. A Member may appoint only his or her spouse, or any joint owner of his Lot or any other Member as a proxy. Any proxy must comply with law, be in writing filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order.

2.10. **WAIVER OF NOTICE.** Any Member may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of a Member in person at any meeting of the Members shall be deemed such a waiver.

2.11. **RECORD DATE.** The Board of Directors shall have the authority to fix in advance a date as a record date for purposes of determining Owners entitled to vote or entitled to receive notice of meetings.

ARTICLE III: DIRECTORS

3.1. **NUMBER AND QUALIFICATION.** The business, property and affairs of the Association shall be managed, controlled, and conducted by a Board of three Directors all of which shall be Members of the Association. The number of Directors may be changed by amendment of these By-Laws.

3.2. **POWERS AND DUTIES.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these By-Laws reserved to be exercised and done by the Members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth by statute, or elsewhere in these By-Laws, the Articles of Incorporation and in the Declarations applicable to "the Property" described in the Declarations and in Article I above, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

3.3. **ELECTION AND TERM OF OFFICE.** Except as provided in Paragraph 3.14, the term of the Directors named in the Articles of Incorporation shall be until the first annual Membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the Members. A new Board of Directors shall be elected by the Members at each regular annual meeting thereafter and shall hold office for a term of one (1) year and until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of Directors may be altered from time to time by the action of a majority of the Members at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional Director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

3.4. **VACANCIES.** Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining Directors, even though they may consist of less than a quorum. Each person so elected shall be a Director until his successor is elected by the Members at the next annual meeting.

3.5. **REMOVAL OF DIRECTORS.** At any regular or special meeting of the Members, any one or more of the Directors may be removed with or without cause at any time by the affirmative

vote of a majority of the Membership of record and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

3.6. COMPENSATION. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. The interested Director shall abstain from voting on the issue of his remuneration.

3.7. ORGANIZATION MEETING. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

* 3.8. REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, facsimile or telegraph, at least three (3) days prior to the day named for the meeting.

3.9. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone, facsimile or telegraph, which notice shall state the time, place (as herein above provided), and purpose of the meeting.

* 3.10. ACTION WITHOUT MEETING. Any action required or permitted to be taken at a meeting of the Directors, may be taken without a meeting if a consent, in writing, setting forth the action so taken is signed by all of the Directors who would have been entitled to vote on the action had a meeting been held. Such action shall be effective on the date such consent is received by the Association.

3.11. MEETING BY TELECOMMUNICATION. Any or all of the Directors may participate in a meeting by or through use of any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

3.12. WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business which may properly come before the meeting may be transacted at such meeting.

3.13. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

3.14. ADJOURNMENTS. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary to the interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

3.15. FIDELITY BONDS. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

3.16. QUALIFICATIONS. Consistent with the provisions of the Declarations for the Timberlane Heights Homeowners Association, the Declarant shall have the right to appoint the Board of Directors for the time period set forth in the Declarations.

ARTICLE IV: OFFICERS

4.1. DESIGNATION. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. Except for the President and Secretary, one person may serve in more than one office at any given time. The Directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary.

4.2. ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board.

4.3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4.4. PRESIDENT. The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of an association, including but not limited to the power to appoint committees from among the Members, from time to time, as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5. VICE PRESIDENT. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Directors.

4.6. **SECRETARY.** The Secretary shall keep the minutes of all meetings of the Members; shall have the custody of the seal of the Association; shall have charge of the Membership books and such other books and papers as the Board of Directors may direct; and shall, in general, perform all the duties incident to the office of Secretary.

4.7. **TREASURER.** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books of the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may, from time to time, be designated by the Board of Directors.

4.8. **COMPENSATION.** No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to any officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken. The interested officer shall abstain from voting on the issue of his remuneration.

ARTICLE V: POWERS, RIGHTS AND DUTIES OF THE ASSOCIATION AND MEMBERS THEREOF

The Association and its Members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these By-Laws, Rules and Regulations pursuant thereto, and recorded covenants and restrictions on the Property, and as any of the same may be duly adopted or amended, as well as those provided by the Colorado Common Interest Ownership Act as it exists from time to time.

ARTICLE VI: CORPORATE SEAL

The Board of Directors shall provide a suitable corporate seal containing the name of the Corporation, which seal shall be in the custody and control of the Secretary.

The corporate seal shall be in circular form, shall have inscribed thereon the name of the Association and the word "Colorado" in the circle and the word "Seal" in the middle. If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE VII: ASSESSMENTS

The Board of Directors shall, from time to time, and at least annually, prepare a budget for the Association, determining the amount of the assessments, subject to the limitations as provided in the Declarations, to be paid by the Lot Owners to meet the common expenses of the Association and allocate and assess such common expenses and assessments among the Lot Owners according to their respective common interests. Common expenses shall include, among other things, those costs as provided in the Declarations and costs or obligations connected with the maintenance, repair, operation, addition, alteration and improvement of and to the Common

Properties, which sum may include, but shall not be limited to, expenses of management, estimated taxes, if any, and special assessments until separately assessed, premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount as more specifically set forth in the Declarations. The Board of Directors shall prepare and deliver or mail to each Owner a statement for the estimated or actual common expenses. In the event of the Ownership of a Lot, title of which is derived from Declarant, commencing on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

ARTICLE VIII: RULES AND REGULATIONS

Rules and Regulations concerning the use, restrictions and requirements respecting the use and maintenance of the Common Properties may be promulgated, modified, rescinded and amended by the Board of Directors. A majority vote of Lot Owners at a meeting may overrule the Board of Directors. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each Lot Owner prior to the time when the same shall become effective.

ARTICLE IX: RIGHT OF ACCESS

The Lot Owner shall grant a right of access to his Lot to any person authorized by the Board of Directors for the purpose of making inspections or correcting any conditions originating in that Lot, provided the requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Lot Owner, save in case of an emergency when such right of entry shall be immediate, whether the Lot Owner is present at that time or not.

ARTICLE X: AMENDMENTS

These By-Laws may be modified by the affirmative vote of the Owners representing an aggregate ownership interest of sixty-six and two thirds percent (66 2/3%) or more of the General Common Elements of this Project (or if modification affects a provision requiring a larger percentage, said larger percentage).

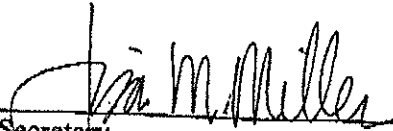
ARTICLE XII: MISCELLANEOUS

11.1. If any of the provisions in these By-Laws or any paragraph, sentence, clause, phrase or word, or the application thereon in any circumstance is invalidated, such invalidity shall not affect the validity of the remainder of these By-Laws, and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

11.2. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

11.3. No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

The above By-Laws were adopted this 15th day of April, 1997 by the Board of Directors of Timberlane Heights Homeowners Association.


Secretary