

BYLAWS

MILLER CANYON RANCH HOMEOWNERS ASSOCIATION, INC.

ARTICLE I Name and Location

Section 1. The name of the corporation is Miller Canyon Ranch Homeowner's Association, hereinafter referred to as the "Association".

The principal office of the corporation shall be located at 19423 N. Turkey Creek, Suite B, Morrison, Colorado 80465, but meetings of members and directors may be held at such places within the State of Colorado, County of Mesa, as designated by the Board of Directors.

ARTICLE II DEFINITIONS

Section 1. The term "Association" shall mean and refer to the Miller Canyon Ranch Homeowners' Association, Inc. its successors and assigns.

Section 2. The term "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants and Restrictions of Miller Canyon Ranch, and such additions thereto as may be brought within the jurisdiction of the Association.

Section 3. The term "Common Area" shall mean and refer to all easements and real property owned by the Association for the common use and enjoyment of the Owners.

Section 4. The term "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. The term "Owner" shall mean and refer to the record owner, whether one or more persons or entity, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. The term "Declarant" shall mean and refer to Peter Heineman and his successors and assigns if such successors and assigns should acquire more than one (1) undeveloped Lot from the Declarant for the purpose of development and be designated in writing as successor Declarant by Declarant.

Section 7. The term "Declaration" shall mean and refer to the Declaration of Protective Covenants for Miller Canyon Ranch, recorded in the office of the Mesa County Clerk and Recorder on April 14, 1999, at Reception No. 1898103, Book 17, Page 43, applicable to the Properties, including any properly enacted amendments thereto.

Section 8. The term "Member" shall mean and refer to those persons entitled to membership as provided in the Declarations.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors or upon written request of the Members who are entitled to vote one-sixth of all the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the secretary or person authorized to call the meeting by mailing a copy of the notice, postage prepaid, at least fifteen (15) days prior to the meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fourth of the votes of all the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

ARTICLE IV Board of Directors: Selection; Term of Office

Section 1. Number. The affairs of this Association shall be managed by a board of three (3) directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect directors for a term of one year.

Section 3. Removal. Any Director may be removed from the Board with or without cause by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without A Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting. The nominating committee shall consist of a chairperson, who shall be a member of the Board of Directors, and two more Members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of the annual meeting until the close of the next annual meeting, and the appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At the election, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any one (1) Director after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Each act or decision done or made by a majority of the Directors present at a meeting at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
Power and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

- a. adopt and publish rules and regulations governing the use of the Common Areas and facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infractions thereof;
- b. suspend the voting rights and right to use of the irrigation facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days for infraction of published rules and regulations;
- b. exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declarations;
- c. declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- d. employ a manager, an independent contractor, or other employees as they deem necessary and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting when such statement is requested in writing by one-fourth of the Members who are entitled to vote.

- b. supervise all officers, agents, and employees of the Association and to see that their duties are properly performed.
- c. as more fully provided herein and in the Declarations to:
 - i. fix the amount of the periodic (monthly or other time period) assessment against each Lot at least sixty (60) days in advance of each monthly assessment period, as provided in Article XII; and
 - ii. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each periodic assessment period; and
 - iii. foreclose the lien against any property from which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.
- d. issue, or cause an appropriate officer to issue, upon demand by any persons, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e. cause the common area to be maintained;
- f. maintain the roads;
- g. procure and maintain adequate liability and hazard insurance on property owned by the Association;
- h. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president and Vice-President, who shall at all times be members of the Board of Directors; a secretary; a treasurer; and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. The resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- a. **President.** The president shall preside at all meetings of the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments, and shall cosign all checks and promissory notes.
- b. **Vice-President.** The vice-president shall act in the place and stead of the president in the event of his absence, inability, or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.
- c. **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform any other duties as may be required by the Board.
- d. **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; shall cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and

statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

ARTICLE IX Committees

Section 1. The Association shall appoint a nominating committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE X Books and Records

The books, records, and papers of the Association shall, at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and these Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

**ARTICLE XIII
Miscellaneous**

Section 1. The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all the Directors of Miller Canyon Ranch Homeowners' Association, Inc., have signed this document this 4/19 day of 1999.

ALL MEMBERS OF THE BOARD OF DIRECTORS:



