

**BYLAWS
OF
VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION INC.,
a COLORADO NON-PROFIT CORPORATION**

INTRODUCTION

These Bylaws of VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION, INC., (the "Association") are adopted for the regulation and management of the Association in conformance with the Colorado Revised Nonprofit Corporation Act, C.R.S. 7-121-101, et seq., as amended from time to time (the "Nonprofit Corporation Act"). The Association is to operate the Common Interest Community in accordance with the requirements for an association of Owners charged with the administration of Property under the Act.

The purpose for which this Association is formed is to govern the affairs of the subdivision known as Valley View Village Subdivision ("Subdivision"), as shown on the plat recorded as Reception No. 643044 of the records of the Clerk and Recorder of Garfield County, Colorado. Property included on the plat of the Subdivision will be made subject to the Association's jurisdiction as the such phases are platted by the recording of supplemental declarations.

All present or future lot owners, tenants and any other person that might use the facilities of the subdivision in any manner are subject to the regulations set forth in these Bylaws and the Master Declaration of Covenants, Conditions and Restrictions for Valley View Village Subdivision in Battlement Mesa PUD ("Covenants") as recorded in the records of the Clerk and Recorder of Garfield County on December 16, 2003, as Reception No. 643048.

**ARTICLE 1.
OWNERS/MEMBERS**

1.1 Owners/Members. Every owner ("Owner") of a platted lot or separate residential unit within a multi-family structure (the term "Unit" refers to a lot and/or a multifamily unit) while such person is a Owner, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from Ownership of any Unit. No Owner, whether one or more persons, shall have more than one membership per Unit owned, but all of the persons owning each Unit shall be entitled to rights of membership and use and enjoyment appurtenant to such Ownership.

1.2 Annual Meeting. Annual meetings of Members shall be held in July of each year on such date and time as set forth in the notice. At the annual meetings, the Executive Board shall be elected by ballot of the Members, in accordance with the provisions of Article 2 of these Bylaws. The Members may transact other business as may properly come before them at these annual meetings.



1.3 **Special Meetings.** Special meetings of the Association may be called by the President, by a majority of the Executive Board or by Members comprising twenty percent (20%) of the votes in the Association.

1.4 **Place of Meetings.** Meetings of the Members shall be held at a location within the Subdivision or at a suitable place convenient to the Members, as may be designated by the Executive Board.

1.5 **Notice of Meetings.** The Secretary/Treasurer or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Member, not less than ten (10) nor more than fifty (50) days in advance of a meeting. Such notice shall state the time and place of the meeting and the items on the agenda, including, if applicable, the general nature of any proposed amendment to the Covenants or these Bylaws, the proposed budget and, after adoption, any changes, and any proposal to remove an officer or member of the Executive Board.

1.6 **Waiver of Notice.** Any Member may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

1.7 **Adjournment of Meeting.** At any meeting of Members, a majority of the Members who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

1.8 **Order of Business.** The order of business at all meetings of the Members shall be as follows:

- (a) Roll call or equivalent check-in procedure of Members present and entitled to vote;
- (b) Inspection and verification of proxies;
- (c) Proof of notice of meeting;
- (d) Reading of minutes of preceding meeting;
- (e) Election of Executive Board (when required);
- (f) Reports of officers;
- (g) Committee reports;
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

1.9 Voting. Voting shall be based on one vote per Unit. The Members shall be of one class as defined in the Covenants.

(a) If only one of several co-owners of a Unit is present at a meeting of the Association, the owner present is entitled to cast the vote allocated to the Unit. Individual co-owners may not cast fractional votes. If more than one of the co-owners are present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the co-owners. There is a majority agreement if any one of the co-owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another co-owner of the Unit, in which case such Member's vote shall not be counted. The Members shall be of one class as defined in the Covenants.

(b) Votes allocated to a Unit may be cast under a proxy duly executed by a Member, provided that any proxy shall be filed with the Secretary of the Association at least 24 hours prior to the time of any meeting. If a Unit is owned by more than one person, each owner of the Unit may vote or register protest to the casting of votes by the other owners of the Unit through a duly executed proxy. A Member may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.

(c) The vote of a corporation or business trust may be cast by any officer to that corporation or business trust in the absence of express notice of the designation of a specific person by the Executive Board or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of such entity in the absence of express notice of the designation of a specific person by the owning partnership. The vote of a limited liability company may be cast by any manager of such entity in the absence of express notice of the designation of a specific person by the owning limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or business trust owner is qualified to vote.

1.10 Quorum. Members comprising thirty-three and one-third percent (33 1/3%) of the votes in the Association present in person or by proxy at any meeting of Members, shall constitute a quorum at that meeting.

1.11 Majority Vote. The vote of a majority of the Members present in person or by proxy at a meeting at which a quorum is present shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Covenants, these Bylaws or by law.

ARTICLE 2 EXECUTIVE BOARD

2.1 Number and Qualification. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which shall consist of three (3) persons to be known as "Directors", who, excepting the Directors appointed by the Declarant shall be Owners. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Owner for the purposes of the preceding sentence. Directors shall be elected by the Owners, except for those appointed by the Declarant. Directors shall serve until their successors are duly elected and qualified.

2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Articles of Incorporation of the Association (the "Articles"), these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Articles and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, which shall include the powers and duties set forth in the Articles of Incorporation and the authority to enact and amend Rules and Regulations.

2.3 Election and Term of Office. At annual meetings of the Members of the Association to be held as herein provided, Directors shall be elected. Nothing herein contained shall prevent the elections of a Director whose term has expired to a new term as such Director. At any meeting at which Directors are to be elected, the Members may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Corporation Laws of the State of Colorado for conducting the elections.

2.4 Vacancies. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the Members, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. Vacancies shall be filled in the following manner:

- (a) As to vacancies of Directors whom Members other than the Declarant elected, by a majority of the remaining elected Directors constituting the Executive Board, and
- (b) As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a Director for the remainder for the term of the Director so replaced. The term of office of any Director shall be declared vacant when such Director ceases to be a Member of the Association by reason of the transfer of such Director's ownership of a Unit.

2.5 Removal of Directors. Members, by a two-thirds vote of all persons present and entitled to vote, at any meeting of the Members at which a quorum is present, may remove any

Director of the Executive Board, other than a Director appointed by the Declarant, with or without cause.

2.6 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Members shall be held within 10 days after the annual meeting at a time and place to be set by the Members at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the Directors on at least three (3) business days' notice shall be hand delivered or mailed and shall state the time, place and purpose of the meeting.

2.8 Location of Meetings. All meetings of the Executive Board shall be held within the County of Garfield, unless all Directors consent in writing to another location.

2.9 Waiver of Notice. Before or at any meeting of the Executive Board, any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to giving of such notice. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

2.10 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11 Compensation. A Director shall not receive a fee from the Association for acting as a Director, but may receive reimbursement for necessary expenses actually incurred in connection with the Director's duties. Directors acting as officers shall not be compensated for those duties.

2.12 Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Executive Board.

2.13 Telephone Communication in Lieu of Attendance. A Director may attend a

meeting of the Executive Board by using an electronic or telephonic communication method whereby the Director may be heard by the other Directors and may hear the deliberations of the other Directors on any matter properly brought before the Executive Board. The Director's vote shall be counted and the presence noted as if the Director were present in person on that particular matter.

2.14 Manager or Managing Agent. The Executive Board may engage the services of a manager or managing agent for the purpose of administering and carrying out the purposes and intent of the Articles of Incorporation; provided, however, the manager or managing agent shall not have authority to levy assessments or to take action which affects the title of a Member in and to such owner's Unit, or his interest in the common elements, which rights shall be reserved to the Executive Board, subject to the vote of the Members of the Association as provided in the Articles or these By-Laws, or the Act.

2.15 Indemnification. The Directors of the Executive Board shall not be liable to the Members of the Association or to any other person for any mistake of judgment, negligence, or otherwise, except in the event of wanton and willful acts or omissions. The Association shall indemnify and hold harmless each of the Directors of the Executive Board against all contractual liabilities of others arising out of contracts made by the Executive Board on behalf of the Association and its Members, and in connection with any act performed pursuant to the Articles of Incorporation or these Bylaws, unless such Director or Directors are adjudged guilty of wanton and willful acts or omissions in the performance of their duties as Directors. Without limiting the forgoing, the Directors of the Executive Board of the Association shall have the liabilities, and be entitled to indemnification, as provided in Colorado's nonprofit corporation laws.

ARTICLE 2. OFFICERS

3.1 Designation. The principal officers of the Association shall be the President and the Secretary/Treasurer, all of whom shall be elected by the Executive Board. The President and Secretary/Treasurer shall be elected from and by the Executive Board.

3.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board. They shall hold office at the pleasure of the Executive Board.

3.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

3.4 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members and of the Executive Board. The President shall have all of the general powers and duties which are incident to the office of President, including but not limited to the power to appoint committees from among the

Members from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Secretary/Treasurer in the absence of the Secretary/Treasurer. The President may cause to be prepared and may execute, certify, and record amendments, attested by the Secretary/Treasurer, to the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

3.5 Secretary/Treasurer. The Secretary/Treasurer shall keep the minutes of all meetings of the Members and the Executive Board. The Secretary/Treasurer shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of Secretary/Treasurer. The Secretary/Treasurer may attest to the execution by the President of amendments to the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The Secretary/Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Secretary/Treasurer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of Secretary/Treasurer. The Secretary/Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the Secretary/Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or a fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board determine. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Secretary/Treasurer, and executed by two Directors, one of whom may be the Secretary/Treasurer if the Secretary/Treasurer is also a Director.

3.6 Agreements, Contracts, Deeds, Checks and Other Instruments. Except as otherwise provided in these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association may be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

3.7 Indemnification. Officers of the Association shall be indemnified for any act they may perform upon behalf of the Association in the same manner herein provided for indemnification of the Executive Board.

ARTICLE 3. BOOK AND RECORDS - INSPECTION

4.1 Books and Records. The Executive Board shall cause to be maintained at the principal place of business of the Association complete books of account of the affairs of the Association.

4.2 **Inspection.** Such books of account and membership records of the Association shall be available at the principal office of the Association for inspection at reasonable times by any member at the expense of the person examining the records, during normal business hours and after reasonable notice.

ARTICLE 4.
ASSESSMENTS

5.1 **Periodic Assessments.** The Executive Board shall fix, levy and collect assessments in the manner and for the purposes specified in the Covenants and the members shall pay assessments as therein provided.

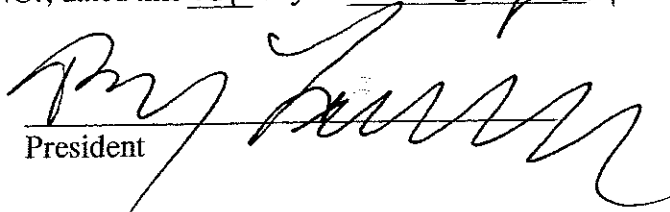
ARTICLE 5.
AMENDMENT OF BYLAWS

6.1 **Amendment by the Members.** These Bylaws may be amended by the members of the Association present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed in Article 1 herein, is present at any such meeting. Amendments may be proposed by petition signed by at least sixty-seven percent (67%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Covenants.

6.2 **Amendment by the Directors.** The Executive Board of the Association by a majority vote of all of the Directors of the Association, may amend or alter the Bylaws of the Association at any regular meeting or at any special meeting. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted on. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Covenants.

ATTEST:

Certified to be the Bylaws adopted by the Executive Board of VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION, INC., dated this 21 day of July, 2004.



President