

**BYLAWS
OF
GREEN VALLEY RANCH HOMEOWNERS ASSOCIATION**

These Bylaws are hereby adopted as the bylaws of the Green Valley Ranch Homeowners Association.

**ARTICLE I
OBJECT**

1. The Green Valley Ranch Homeowners Association shall be a non-profit corporation.
2. The purpose for which this non-profit Association is formed is to govern the property which has been or will be submitted to the provisions of the Declaration of Covenants, Conditions and Restrictions, Easements and Charges of Pinon Valley Filing No. 6 (the "Declaration"). Terms which are defined in the Declaration recorded or to be recorded in the County of El Paso, Colorado, shall have the same meanings herein unless otherwise defined.
3. All present or future owners, tenants, future tenants or any other person that might use in any manner the property described in the Declaration are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Lots or the mere act of occupancy of any of said lots will signify that these Bylaws are accepted, ratified and will be complied with.

**ARTICLE II
MEMBERSHIP, VOTING, MAJORITY
OF OWNERS, QUORUM AND PROXIES**

1. Membership. Membership in the Association shall be as set forth in the Articles of Incorporation of the Association and the Declaration. Such membership shall terminate without any formal Association action whenever such person ceases to be the Owner of a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association or impair any rights or remedies which the Lot Owners have, either through the Board of Directors of the Association or directly, against such former Owner and Member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.
2. Voting. Each membership shall have the vote(s) appurtenant thereto as described in the Declaration. When more than one person holds the membership, they shall appoint one of their co-members as proxy to cast the vote for the membership. Such vote shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast with respect to any one membership, if the co-members cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained.
3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Members holding one-third (1/3) of the votes entitled to be cast shall constitute a quorum. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation of the Association, or these Bylaws, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person and/or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

ARTICLE III
ASSOCIATION MEETINGS

1. Association Responsibilities. The affairs of Green Valley Ranch Homeowners Association (herein referred to as "Association"), will be managed by its Board of Directors (hereinafter referred to as the "Board").

2. Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board may determine.

3. Annual Meeting. The annual meeting of Members of the Association shall be in February of each year. At such meeting there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Section 4 of Article IV of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

4. Special Meetings. The President may call a special meeting of the Members upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the Members. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of a majority of the Members present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Member of record, at the registered address of each Member, at least fifteen (15), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this Section or the delivery of such notice shall be considered notice served, and the certificate of the Secretary that notice was duly given shall be prima facie evidence thereof. If no address has been registered with the Secretary, then such notice shall be mailed to the Owner using the address of the Lot.

6. Adjourned Meetings. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

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

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of Minutes of preceding meetings
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Directors
- (g) Unfinished business
- (h) New business
- (i) Adjournment

8. 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 of the Association. The Secretary shall cause to be delivered to each Member, a ballot for the annual election which will include provisions for absentee voting of Members unable to attend the annual meeting. Absentee ballots may be returned to the Secretary or another Board member prior to the annual meeting or delivered to the annual meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by a Member of his Lot.

ARTICLE IV **BOARD OF DIRECTORS**

1. Number and Qualification. The initial Board shall have three (3) members, all of whom shall be appointed by the Declarant. At the first annual meeting after the Class B membership of Declarant ceases, there shall be elected any five (5) Members of the Association to the Board who shall govern the affairs of this Association until their successors have been duly elected and qualified. To be eligible to be a member of the Board of Directors, a person must be a member of the Association.

2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Subdivision. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Lots:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Bylaws of the Association and supplements and amendments thereto.

(b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of all of the Lots with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Member upon the adoption thereof.

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the areas in the Subdivision required to be maintained by the Association.

(d) To obtain and maintain all insurance required or permitted under the Declaration or otherwise deemed advisable by the Association.

(e) To prepare a budget for the Association at least thirty (30) days prior to the commencement of each fiscal year, in order to determine the amount of the common expense assessments payable by the Owners to meet the common expenses of the Subdivision, and allocate and assess such common expenses among the Owners as set forth in the Declaration and to adjust, decrease or increase the amount of the common expense assessments and to level and collect special assessments.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a Member as is provided in the Declaration and these Bylaws. The Board shall have the duty, rights, power and authority to suspend the voting rights of any Member in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof. Such rights may also be suspended for a period not to exceed sixty (60) days for infraction of published rules and regulations of the Association.

(g) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary. The persons who shall be authorized to execute promissory notes and security instruments shall be the President or Vice President and Secretary or Treasurer.

(h) To enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the areas for which the Association is responsible under the Declaration.

(i) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(j) To make repairs, addition, alterations and improvements to the areas required to be maintained by the Association.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Members and First Mortgagees of Lots, and to prepare or have prepared a compilation or review financial statement of the books and records of the Association at the end of each fiscal year. At the option of the Board, an audited financial statement may be required.

(l) To prepare and deliver annually to each Member the reports prepared under subsection (k) above.

(m) To meet at least annually.

(n) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(o) As more fully provided in the Declaration, to:

(1) Fix the amount of the annual common expense assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) Send written notice of each annual common expense assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any Lot for which assessments are not paid within ninety (90) days after the due date or bring an action at law against the Owner personally obligated to pay the same;

(p) Subject to the provisions of the Declaration: to issue or to cause an appropriate officer to issue, upon demand by and Owner or Mortgagee, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board of Directors for the issuance of these certificates; if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment or that person who relies thereon to his detriment.

(q) To cause all officers and employees having fiscal responsibilities to be bonded, if and as it may deem appropriate.

(r) Employ the services of a manager or managing agent, or both, and such independent contractors or other employees as they deem necessary, and delegate any of their duties to such persons; provided, however, when so delegated, the Board of Directors shall not be relieved of its responsibilities under the Declaration, the Articles of Incorporation of these Bylaws; and

(s) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of the Property.

3. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, these Articles of Incorporation, these Bylaws or the rules and regulations adopted pursuant

hereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the managing agent shall have the right to enforce the same thereafter.

4. Election, Term of Office and Compensation. Except as is otherwise provided by these Bylaws, the Directors shall hold office for a term of three years or until their successors have been elected and hold their first meetings. The terms of the Board of Directors elected at the first annual meeting of the Board to be held after the Class B membership of Declarant ceases shall be staggered with two (2) members being elected for three (3) years; two (2) members being elected for two (2) years; and one (1) member being elected for one (1) year. As the terms of such members of the Board expire, their successors shall be elected for terms of three (3) years. No Director shall be entitled to receive any compensation for the performance of his duties, but shall be entitled to reimbursement for reasonable and necessary expenses incurred by him for the benefit of the Association. Nomination for election to the Board of Directors may 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 Chairman, who shall be a Member of the Board of Directors, and two (2) or 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 such annual meeting until the close of the next annual meeting, and such 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. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in 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.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected.

6. Removal of Directors. Any regular or special meeting of Members duly called, any one or more of the Directors may be removed with or without cause by a vote of a majority of the Members, and a successor may then and there 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 prior to voting thereon.

7. Organizational Meeting. The first meeting of a newly elected Board shall be held within thirty (30) days following each annual meeting of the Members at such place as shall be fixed by the Directors 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.

8. Regular Meetings. Regular meetings of the Board 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 one (1) such meeting shall be held during each calendar year. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph, or E-mail at least five (5) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, or E-mail which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors.

10. Waiver of Notice. Before or at any meeting of the Board, 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