

**AMENDED AND RESTATED
BYLAWS
OF
RIVER VALLEY RANCH MASTER ASSOCIATION**

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**AMENDED AND RESTATED
BYLAWS
OF
RIVER VALLEY RANCH MASTER ASSOCIATION**

RECITALS

River Valley Ranch Master Association, a Colorado nonprofit corporation (“Master Association”), certifies that:

- (1) The Master Association and its Members desire to amend and restate the Bylaws currently in effect as set forth below.
- (2) The provisions set forth in these Amended and Restated Bylaws supersede and replace the existing Bylaws and all amendments.

The Bylaws of the Master Association are hereby amended by striking in their entirety Articles I through XV, inclusive, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSES

Section 1.1 Introduction. These Amended and Restated Bylaws are adopted for the regulation, management and governance of the affairs of the Master Association. The Master Association was organized as a Colorado nonprofit corporation under Colorado law to act as the Master Association under the Amended and Restated Declaration of Protective Covenants for River Valley Ranch, as may be amended (the “Master Declaration”).

Section 1.2 Purposes. The purposes for which the Master Association is formed are:

- (a) to protect the value and desirability of the Community and the Lots and Units;
- (b) to further the interests of the residents of the Community and Members of the Master Association;
- (c) to be the owners association provided for in the Master Declaration;
- (d) to operate and govern the master planned community known as River Valley Ranch;
- (e) to provide for the administration, maintenance, preservation and architectural review of the Lots, Units, and Common Area within the River Valley Ranch Community; and

(f) to promote the health, safety, welfare and recreation of the Owners within the River Valley Ranch Community.

ARTICLE 2. DEFINITIONS

The definitions set forth in the Amended and Restated Master Declaration of Protective Covenants for River Valley Ranch, as amended and supplemented by documents of record, ("Master Declaration") shall apply to all capitalized terms contained in these Bylaws, unless otherwise noted or the context provides otherwise.

ARTICLE 3. MEMBERSHIP AND VOTING

Section 3.1 Membership and Voting. Every person who is an Owner shall be a Member of the Master Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot or Unit. Ownership of a Lot or Unit shall be the sole qualification for membership. Each Lot or Unit shall be entitled to cast one vote. Fractional and cumulative voting are prohibited.

Section 3.2 Suspension of Voting Rights and Use Rights. During any period in which an Owner shall be in default in the payment of any Common Expense Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Master Association, the voting rights and right to use of the recreational facilities of the Owner shall be deemed suspended by the Executive Board, without notice or hearing, until the Assessment has been paid. Voting rights and use rights of an Owner may also be suspended for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater.

Section 3.3 Member Voting. (a) At all meetings of Members, each Member eligible to vote may vote in person or by proxy. (b) If only one of several Owners of a Lot or Unit is present at a meeting of the Master Association, the Owner present is entitled to cast the vote allocated to such Lot or Unit. (c) If more than one of the Owners is present, the vote allocated to the Lot or Unit may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement exists if any one of the Owners casts the vote allocated to the Lot or Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Lot or Unit. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted. (d) The vote of a corporation or business trust may be cast by any officer of 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. (e) The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. (f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Owner is qualified to vote.

Section 3.4 Transfer of Membership. Transfers of membership 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 or Unit to which the membership is appurtenant.

ARTICLE 4. MEETINGS OF MEMBERS

Section 4.1 Annual Meetings. An annual meeting of the Members shall be held during each of the Master Association's fiscal years, at such time of the year and date as determined by the Board. The members of the Executive Board shall be elected by the Members annually at a time determined by the Board, in accordance with the provisions of these Bylaws. The Members may transact other business as may properly come before them at the annual meeting. Failure to hold an annual meeting shall not be considered a forfeiture or dissolution of the Master Association.

Section 4.2 Budget Meetings. Meetings to consider proposed budgets shall be called in accordance with the Act. The Act's budget process to be followed is as follows:

(a) Effective the first full fiscal year after these Bylaws are adopted and become effective, and for each year thereafter, the Executive Board of the Master Association is to prepare and approve a proposed budget at least annually.

(b) Within 90 days after the Executive Board's adoption of the proposed budget, or such longer time as allowed by the Act, the Executive Board must mail or deliver a summary of the proposed budget to all Members and set a date for a meeting to consider the proposed budget.

(c) Notice for the meeting at which the budget will be considered must be mailed not less than 10 days nor more than 50 days before the meeting, or such longer time as allowed by the Act.

(d) At the meeting, unless Owners holding sixty-seven percent (67%) of the votes in the Master Association vote to reject the proposed budget, the proposed budget becomes the approved budget of the Master Association.

(e) A quorum is not required at the meeting if the meeting is just a budget meeting. If the meeting is also an annual or special meeting at which other business is to be conducted, a quorum is required for other business to be conducted at the annual or special meeting, but not for consideration of the budget.

(f) In the event the proposed budget is rejected, the budget last ratified is continued until such time as a subsequent budget proposed by the Executive Board is ratified.

Section 4.3 Special Meetings. Special meetings of the Master Association may be called by the president, by a majority of the members of the Executive Board or by the secretary upon receipt of a petition signed by Owners holding at least 20% of the votes in the Master Association. The form of notice, date, time and place of the meeting shall be determined by the Board. If a notice for a special meeting demanded pursuant to petition is not given by the secretary within 30 days after the date the written demand or demands are delivered to the secretary, the person(s) signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this Section shall be conducted by the president of the Board, or in his/her absence, a person chosen by a majority of the Board.

Section 4.4 Notice of Meetings. Notice of each meeting of the Members shall be physically posted in a conspicuous place if feasible and practicable at least 24 hours prior to any meeting of the Members. Written notice of each meeting of 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, or by personal delivery, at least 10 days before, but not more than 50 days before the meeting to each Member, addressed to the Member's address last appearing on the books of the Master Association, or supplied by a Member to the Master Association for the purpose of notice. If the Master Association has the ability to give electronic notice, the Master Association shall e-mail notice of the Members' meeting to any Member who requests, and who provides his or her e-mail address to the Master Association in addition to the above specified delivery of notice. Any such e-mail notice shall be given at least 24 hours prior to the meeting. 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. No matters shall be heard nor action adopted at a special meeting except as stated or allowed in the notice.

Section 4.5 Place of Meetings. Meetings of the Members shall be held in the River Valley Ranch Community, or in any other location in the greater Roaring Fork Valley area, and may be adjourned to a suitable place convenient to the Members, as may be designated by the chair of the meeting.

Section 4.6 Quorum of Members. The presence of 20% of the Members eligible to vote at any meeting, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Governing Documents. If the required quorum is not present, the Members who are present shall have power to adjourn the meeting from time to time to a later date, until such time as a quorum shall be present. If adjourned, notice of the new date, time or place need not be given if the new date, time or place is announced at the meeting before adjournment.

Section 4.7 Proxies for Members Meetings. (a) The vote allocated to a Lot or Unit may be cast under a proxy duly executed by an Owner. (b) All proxies shall be in writing and filed with the secretary or designee of the Master Association. (c) If a Lot or Unit is owned by more than one person, each Owner of the Lot or Unit may vote or register protest to the casting of the vote by the other Owners of the Lot or Unit through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted. (d) An Owner may revoke a proxy

given under this section by written notice of revocation to the person presiding over a meeting of the Master Association. (e) A proxy is void if it is not dated. (f) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Lot or Unit for which the proxy was issued. (g) Proxies obtained through fraud or misrepresentation are invalid as determined in the sole discretion of the Secretary of the Master Association.

Section 4.8 Order of Business. The Board may establish the order of business for all meetings of the Board or Members. Failure to strictly follow Robert's Rules of Order shall not invalidate any action taken at a meeting of the Board or Members.

Section 4.9 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. Attendance at the meeting shall constitute a waiver of notice unless attendance is for the express purpose of objecting to the sufficiency of the notice, in which case, such objection must be raised before the business of which proper notice was not given is put to a vote.

Section 4.10 Voting Procedures/Secret Balloting.

(a) Secret ballots, if required by law, must be used in contested Board member elections and in any other matter as required or allowed by law.

(b) All other voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Executive Board prior to the meeting or by a majority of the Members present at a meeting.

Section 4.11 Voting by Mail or Electronic Means.

(a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary shall mail or deliver written notice to all Members at each Member's address as it appears in the records of the Master Association given for notice purposes. The notice shall include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail or electronic means for or against such proposal, (iii) a date at least 10 days after the date such notice shall have been given on or before which all votes must be received at the office of the Master Association at the address designated in the notice, and (iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail or electronic means shall be acceptable in all instances in the Governing Documents requiring the vote of Members at a meeting.

(b) The Master Association may conduct elections of Directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; *provided however*, that any procedures adopted shall provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Master

Association for a vacant position, subject to the nominated Member's consent.

Section 4.12 Voting in Elections of Directors/Other Voting. In an election of Directors, the Members receiving the largest number of votes shall be elected. On all other items, the vote of more than 50% of Members represented at a meeting at which at least a quorum is present shall constitute a majority and shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Governing Documents, as amended, or by law.

Section 4.13 Acceptance or Rejection of Individual Votes. The Master Association has the right to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation when it has a reasonable, good faith basis to doubt the validity of the signature or the signatory's authority to sign for the Owner. The Master Association and its officer or agent who accepts or rejects any of the above in good faith is not liable for any damages that may result from the acceptance or rejection. Unless a court decides otherwise, any action taken on the acceptance or rejection of any of the above will be deemed valid.

Section 4.14 Counting of Ballots. All ballots shall be counted by a neutral third party, or a committee of volunteers who are not Board members and not candidates in a contested election, selected or appointed at an open meeting in a fair manner by the chair of the Board or person presiding at such meeting or as otherwise required by law and as may be further defined by policy or procedures of the Master Association.

ARTICLE 5. EXECUTIVE BOARD

Section 5.1 Number. The affairs of the Master Association shall be governed by an Executive Board (the "Board") which shall consist of seven members, elected or appointed as provided below (the "Directors"). In the case where the total number of Board members is less than seven, the Board will be considered properly constituted until such vacancies are filled. The number of members of the Board may be decreased by amendment of these Bylaws.

Section 5.2 Qualifications of Directors. A Director may be any natural person and need not be an Owner of a Lot or Unit within the Common Interest Community. Provided, that upon and after the expiration of the Period of Declarant Control described in Article (V)(5) of these Bylaws, at least a majority of the Directors shall be Owners other than Declarant or designated representatives of Declarant, or designated representatives of owners other than Declarant. A Director may be re-elected and there shall be no limit on the number of terms a Director may serve.

Section 5.3 Appointment, Election and Term of Office of Directors.

(a) In the Declaration, Declarant has reserved the right to appoint and remove Directors and officers until the date which is earlier of (a) sixty (60) days after conveyance of 75% of Lots or Units that may be created to Owners other than Declarant, (b) two (2) years after the last conveyance of a Lot or Unit by Declarant in the ordinary course of business or (c) tow

(2) years after any right to add new Lots or Units was last exercised by Declarant (the "Turnover Date").

(b) During this "Period of Declarant Control": (a) Not later than sixty (60) days after conveyance of 25% of the Lots or Units that may be created to Owners other than Declarant, at least one member and not less than 25% of the members of the Executive Board must be elected by the Owners other than Declarant; and (b) not later than sixty (60) days after the conveyance of 50% of the Lots or Units that may be created to Owners other than Declarant, not less than 33- 1/3% of the members of the Executive Board must be elected by Owners other than Declarant.

(c) At any time prior to the Turnover Date, the Declarant may voluntarily surrender and relinquish the right to appoint and remove officers and members of the Executive Board. In such event, Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Master Association or the Executive Board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective. As to such actions, Declarant may give its approval or disapproval in its sole discretion and option, and its disapproval shall invalidate any such action by the Executive Board or the Master Association.

(d) Not later than the Turnover Date, the Lot and Unit Owners (including Declarant) shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Owners other than Declarant or designated representatives of Owners other than Declarant, and the Executive Board shall elect the officers, with such Executive Board Members and officers to take office upon election.

(e) Within sixty (60) days after Owners other than Declarant elect a majority of the members of the Executive Board, Declarant shall deliver to the Master Association all property of the Lot or Unit Owners and of the Master Association held or controlled by Declarant, including without limitation those items specified in Section 38-33.3-303(9) of the Colorado Common Interest Ownership Act.

(f) Hence, during the Period of Declarant Control and prior to the time that Owners other than declarant own 25% of the Lots or Units that may be created, all Directors shall be appointees of Declarant, for such terms as Declarant may consider appropriate. All Directors appointed by Declarant may be removed at any time and from time to time by Declarant in its sole and absolute discretion.

(g) With the exception of Directors appointed by the Declarant, and except as provided below, Directors shall serve three year terms. The terms of at least one-third of the members of the Executive Board shall expire annually. Accordingly, the term of the first Director elected by the Owners shall be three years, and the Executive Board shall fix the term of each additional Director elected by the Owners (at the time of such election) so that such term expires on year following the last to expire of the term(s) of the already serving Owner-elected Director(s). If the number of owner-elected Directors is increased to more than three, the terms of the additional Directors shall be fixed so that the terms of at least on-third of the members of the Executive Board expire annually. Directors shall hold office until their successors have been elected and qualified.

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Section 5.4 Resignation of Directors. Any Director may resign at any time by giving written notice to the president, to the secretary or to the Executive Board stating the effective date of the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

Section 5.5 Removal of Directors. The Lot and Unit Owners, by a vote of sixty-seven percent (67%) of all Members present and entitled to vote at any meeting of the Lot and Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than a member appointed by Declarant, and a successor may be then and there elected to fill the vacancy thus created. The notice of the meeting must indicate that the proposed removal of a Director or Directors will be considered at the meeting.

Section 5.6 Vacancies in Directors. Subject to Declarant's reserved rights to appoint and remove Directors, any vacancy occurring in the Executive Board, unless filled by election at a special meeting of the Members, shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Except during the Period of Declarant Control, a Directorship to be filled by reason of any increase in the number of Directors shall be filled only by vote of the members.

Section 5.7 Compensation. No Director shall receive compensation for any service the Director may render as a Director to the Master Association. However, any Director may be reimbursed for actual expenses incurred in the performance of Master Association duties and/or provided a stipend, if allowed by state law.

ARTICLE 6. MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Executive Board shall be held at such times, place and hour as may be fixed by the Board. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary to constitute such scheduled regular meetings.

Section 6.2 Special Meetings. Special meetings of the Executive Board shall be held when called by the president of the Master Association, or by any two Directors, after not less than three days' notice to each Director.

Section 6.3 Notice of Board Meetings. Except as provided in Section 6.1 above or below, written notice of each meeting of the Board shall be given by, or at the direction of, the secretary, by mailing a copy of the notice, postage prepaid, at least three days before the meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, personal delivery, facsimile, and e-mail delivery, to each Board member entitled to vote, addressed to the Board member's address last appearing on the books of the Master Association, or supplied by a Board member to the Master Association for the purpose of notice. If a notice for a special meeting demanded pursuant to Section 6.2 is not

given by the Board within 30 days after the date the written demand or demands are delivered to the Board, the Directors signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the above terms of Section 6.3 of these Bylaws. 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 6.4 Location of Meetings and Open Meetings. (a) All meetings of the Executive Board shall be open to attendance by Members, as provided by applicable Colorado law. (b) All meetings of the Executive Board shall be held in the Community, by conference call, electronic means or in the Garfield County area, unless all Directors consent in writing to another location. (c) Rules and Regulations may be adopted in open meetings of the Board, and may not be adopted in closed or executive sessions of the Board. (d) For any executive session or closed Board meeting, minutes kept for that part of the meeting should only indicate that an executive session was held and the general subject of the executive session.

Section 6.5 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at the meeting.

Section 6.6 Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business, unless there are fewer than three Directors, in which case all Directors must be present to constitute a quorum. The votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board unless there are fewer than three Directors, in which case, unanimity of the Directors is required to constitute a decision of the Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.7 Proxies for Board Meetings. For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a Director may execute, in writing, a proxy to be held by another Director. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.

Section 6.8 Consent to Corporate Action. The Directors shall have the right to take any action, except the adopting of a rule or regulation, in the absence of a meeting, which they could otherwise have taken at a meeting, by:

- (a) Obtaining the unanimous verbal vote of all Directors which vote shall be noted in the minutes of the next meeting of the Board and ratified at that time;
- (b) Obtaining the written vote of all of the Directors, with at least a majority of the Directors approving the action, provided that those Directors who vote "no" or

abstain from voting have waived notice of a meeting in writing. The secretary shall file the written votes with the minutes of the meetings of the Executive Board;

(c) Any action taken under subsections (a) and (b) shall have the same effect as though taken at a meeting of the Directors.

Section 6.9 Telephone or Electronic Communication in Lieu of Attendance. A Director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the Director may be heard by the other Members and may hear the deliberations of the other Members on any matter properly brought before the Board. The Director's vote shall be counted and the presence noted as if that Director were present in person.

Section 6.10 Unit Owner Participation. Owners must be allowed to speak before the Board votes on any issue under discussion. The Board shall allow a reasonable number of persons to speak on each side of the issue, but the Board may place reasonable restrictions on the time allowed for each Owner to speak. Owners may also be allowed to speak at such other times as the Board, in its sole discretion, deems appropriate.

ARTICLE 7. POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 7.1 Powers and Duties. The affairs of the Master Association shall be managed by its Executive Board. The Executive Board shall have the duty to manage and supervise the affairs of the Master Association and shall have the powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing; the Executive Board shall have the power and authority to exercise or cause to be exercised for the Master Association, all of the powers, rights and authority, not reserved to the Master Association or the Declarant, and provided in the Declaration, any Supplemental Declaration, the Articles of Incorporation, these Bylaws, the Colorado Nonprofit Corporation Act, or the Colorado Common Interest Ownership Act. The Executive Board may not, however, act on behalf of the Master Association to amend the Declaration, to terminate the Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of the term.

Section 7.2 Special Powers and Duties. Without limiting the foregoing general powers and duties of the Executive Board, the Executive Board 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 Regular Assessments, Special Assessments, and Reimbursement 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; to enforce the payment of such delinquent Assessments as provided in the Declaration; and to credit any excess of Assessments over expenses and

reserves to the Members to reduce their future Regular Assessments.

(b) **Taxes:** The duty to pay all taxes and assessments levied upon the Master Common Areas and all other taxes and assessments payable by the Master Association. The Executive Board shall also have the power to contest any such taxes or assessments.

(c) **Insurance:** The duty to obtain and maintain in effect at all times casualty and liability and other insurance in accordance with the provisions of the Declaration.

(d) **Master Common Areas:** The duty and power to contract for and pay bills for maintenance, legal service, accounting service, landscaping, common utilities and other materials, supplies and services relating to the Master Common Areas, and to employ personnel necessary for the care and operation of the Master Common Areas and to contract and pay for necessary improvements on the Master Common Areas, all in accordance with the provisions of the Declaration.

(e) **Agents and Employees:** The power to select, appoint, and remove all officers, agents, employees and independent contractors 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 Executive Board.

(f) **Borrowing:** The power 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, pledges or other evidences of debt. The repayment of such indebtedness shall be a Common Expense of the Owners. Provided that the Executive Board shall not borrow or cause the Master Association to be indebted for more than \$50,000.00 at any one time without the prior approval of a majority of the members.

(g) **Enforcement:** The power to administer and enforce the covenants and provisions of the Declaration, the Master 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 as set forth in the Declaration.

(j) **Rules and Regulations:** The power to adopt, amend and repeal such Master Rules and Regulations as the Executive Board may deem necessary, desirable or appropriate from time to time, in the manner set forth in the Declaration.

Section 7.3 **Managing Agent.** The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall have the authority to delegate any of the powers and duties set forth in this Article to a managing agent. Regardless of any delegation to a managing agent, the members of the Board shall not be relieved of responsibilities under the Governing Documents or Colorado law.

Section 7.4 No Waiver. The omission or failure of the Master Association or Owner to enforce the covenants, conditions, easements, uses, limitations, obligations, or other provisions of the Governing Documents 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 at any time.

ARTICLE 8. OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Master Association shall be a president, a vice-president, a secretary, and a treasurer, who shall at all times be members of the Executive Board, and such other officers as the Board may from time to time create by resolution.

Section 8.2 Election of Officers. The officers shall be elected by the Board for one year terms at the first meeting of the Executive Board following the election of the Board members.

Section 8.3 Special Appointments. The Board may elect other officers as the affairs of the Master 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 8.4 Resignation and Removal. Any officer may be removed from office with or without cause by a majority of the Executive Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. A resignation shall take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective.

Section 8.5 Vacancies. A vacancy in any office may be filled by appointment by the Board by majority vote of the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 8.6 Duties. The duties of the officers are as follows:

(a) President. The president shall have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation. Specifically, the president shall have the power to preside at all meetings of the Executive Board and of the Members; appoint committees; see that orders and resolutions of the Board are carried out; sign contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the day-to-day affairs of the Master Association.

(b) Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the

president.

(c) Secretary. The secretary shall record the votes and maintain 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 Master Association together with their addresses; cause Master Association records to be kept and maintained; and perform such other duties incident to the office of secretary or as required by the Board.

(d) Treasurer. The treasurer shall be responsible for the receipt, deposit and disbursement of Master Association funds and securities and for maintenance of full and accurate financial records; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer shall perform all duties incident to the office of treasurer and such other duties as may be assigned by the Executive Board.

Section 8.7 Delegation. The duties of any officer may be delegated to the managing agent or another Board member; *provided, however*, the officer shall not be relieved of any responsibility under this Section or under Colorado law.

ARTICLE 9. COMMITTEES

Section 9.1 Designated Committees. The Master Association may appoint such committees and committee members as deemed appropriate in carrying out its purposes, including a Design Review Committee. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board. The Board shall also have the power to remove any and all committee members with or without cause and to terminate any such committee unless stipulated by the Master Declaration.

Section 9.2 Open Committee Meetings. All committee meetings shall be open to attendance by Members, as provided by applicable law.

ARTICLE 10. BOOKS AND RECORDS

Section 10.1 Master Association Records.

(a) The Master Association or its managing agent, if any, shall keep the following records permanently at its principal office, as required by the Act:

- (i) Minutes of all Board and Owner meetings;
- (ii) All actions taken by the Board or Owners by written ballot instead of holding a meeting;
- (iii) All actions taken by a committee on the behalf of the Board

instead of the Board acting on behalf of the Master Association; and

(iv) All waivers of the notice requirements for Owner meetings, Board member meetings, or committee meetings.

(b) The Master Association or its managing agent, if any, shall keep the following records at its principal office for such length as determined by the Board:

(i) An account for each Lot or Unit, which shall designate the name and address of each Owner, the amount of each Assessment, the dates on which each Assessment comes due, any other fees payable by the Owner, the amounts paid on the account and the balance due;

(ii) An account for each Owner showing any other fees payable by the Owner;

(iii) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Master Association;

(iv) The current operating budget;

(v) A record of any unsatisfied judgments against the Master Association and the existence of any pending suits in which the Master Association is a defendant;

(vi) A record of insurance coverage provided for the benefit of Owners and the Master Association;

(vii) Tax returns for state and federal income taxation;

(viii) Minutes of meetings of the Owners, Directors, committees and waivers of notice, if any;

(ix) Copies of at least the three most recent years' correspondence between the Master Association and Owners;

(x) Copies of the most current versions of the Governing Documents, along with their exhibits and schedules;

(xi) Board resolutions affecting Owners;

(xii) Records of any actions taken by Owners without a meeting for at least the past three years;

(xiii) A list of the names and business or home addresses of current Board and its officers; and

(xiv) All financial audits or review conducted pursuant to Section 38-33.3-303(4)(b) of the Act for at least the last three years.

(c) The Master Association or its managing agent, if any, must maintain a record of all Owners that allows preparation of a list of the names and addresses of all Owners as well as number of votes allocated to each Lot or Unit.

Section 10.2 Minutes and Presumptions Under the Minutes. Minutes or any similar record of the meetings of Members, or of the Executive Board, 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.

Section 10.3 Examination. The books, records and papers of the Master Association shall at all times, during normal business hours and after at least five days written notice, or at the next scheduled Board meeting if within 30 days of demand, be subject to inspection and copying by any Member, at his or her expense, except documents determined by the Board to be confidential pursuant to a written policy or applicable law. Any Owner's request to inspect and copy Master Association records must be made in good faith, for a proper purpose, and describe with reasonable detail what records are requested and why. Requested documents must be relevant to the stated purpose for the request. The Master Association may charge the actual costs for copying of the records.

ARTICLE 11. AMENDMENTS

Section 11.1 Bylaw Amendments. These Bylaws may be amended by a majority of a quorum of the Executive Board at a regular or special meeting of the Executive Board, or by the vote of Members holding at least 67 percent of the votes in the Master Association at a meeting duly noticed for such purpose. No amendment shall serve to shorten the term of any Director, or conflict with the Declaration, the Articles of Incorporation, or the Colorado Common Interest Ownership Act. Notwithstanding anything to the contrary herein, prior to the termination of the period of Declarant Control, these Bylaws shall not be amended without Declarant's prior written consent and approval.

ARTICLE 12. INDEMNIFICATION

Section 12.1 Obligation to Indemnify.

(a) The Master Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; by reason of the fact that the person is or was a Director, officer or committee member of the Master Association; provided the person is or was serving at the request of the Master Association in such capacity; and provided that the person:

- (i) acted in good faith, and;
- (ii) in a manner that the person reasonably believed to be in the best

interests of the Master Association, and;

(iii) with respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Master Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

(b) Notwithstanding anything in subsection (a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification shall be made:

(i) In connection with a proceeding by or in the right of the Master Association, where the person has been adjudged to be liable to the Master Association; or

(ii) In connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person shall be indemnified against actual and reasonable expenses (including expert witness fees, attorney fees and costs) incurred in connection with the action, suit or proceeding.

Section 12.2 Determination Required.

(a) The Executive Board shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination shall be made by the Executive Board by a majority vote of a quorum consisting of those members of the Executive Board who were not parties to the action suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by:

(i) independent legal counsel selected by a majority of the full Board;
or

(ii) by the voting members, but voting members who are also at the same time seeking indemnification may not vote on the determination.

Section 12.3 Payment in Advance of Final Disposition. The Master Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Executive Board with:

(a) A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;

(b) A written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 12.4 No Limitation of Rights. The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Executive Board, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 12.5 Directors and Officers Insurance. The Master Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Master Association or at the direction of the Board, whether or not the Master Association would have the power to indemnify the person against liability under provisions of this Article.

ARTICLE 13. MISCELLANEOUS

Section 13.1 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Master Association.

Section 13.2 Notices. All notices to the Master Association or the Board shall be delivered to the office of the managing agent, or, if there is no managing agent, to the office of the Master Association, or to such other address as the Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be mailed to the Owner's address as it appears in the records of the Master Association. All notices shall be deemed to have been given when mailed or transmitted, except notices of changes of address, which shall be deemed to have been given when received.

Section 13.3 Conflicts. In the case of any conflicts between the Master Declaration and these Bylaws or the Articles of Incorporation, the terms of the Master Declaration shall control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of

the Articles of Incorporation shall control.

Section 13.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws 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 which may occur.

CERTIFICATION

By signature below, the secretary of the Executive Board certifies these Amended and Restated Bylaws received the affirmative vote of Members holding at least 67% of the votes in the Master Association at a meeting duly called for such purpose.

RIVER VALLEY RANCH MASTER ASSOCIATION,
a Colorado nonprofit corporation

By: _____
Secretary

Date: _____