

BY-LAWS
OF
SUNDANCE HOMEOWNERS ASSOCIATION

ARTICLE I

Name and Location

The name of the Corporation is Sundance Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at 2919 Valmont Road, #109, Boulder, Colorado, 80302, but meetings of members and Directors may be held at such places within the State of Colorado, County of Boulder, as may be designated by the Board of Directors.

ARTICLE II

Definitions

The definitions used in the Declaration of Covenants, Conditions and Restrictions of Sundance shall apply to all terms used herein.

ARTICLE III

Membership and Voting Rights

Section 1 - Membership. Every person or entity who is a record owner of a fee or undivided fee interest in Lot 7 through 39, inclusive, which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association.

Section 2 - Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A members shall be all owners of Lots 7 through 39, inclusive, with the exception of Declarant, as defined in the Declaration, and shall be entitled to one vote per each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any lot.

Class B: The Class B member shall be the Declarant, as defined in the Declaration, its successors and assigns. The Class B member shall be entitled to three votes per each lot owned, exclusive of Lots 1 through 6. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever shall first occur:

(a) 120 days after the date by which 75 percent of the lots have been conveyed to lot purchasers, or

(b) on the 21st day of June, 1988.

ARTICLE IV

Meeting of Members

Section 1 - Annual Meeting. The first annual meeting of the members shall be held one 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 o'clock P.M. If the date 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 request of the membership who are entitled to vote one-fourth of all of the vote of the Class A 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 of person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting, to each member entitled to vote thereat, addressed to the member's last address appearing on the books of the Association, or supplied by such member of the Association for the purpose of notice. Any such 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 proxies entitled to cast, 10 percent of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws. If, however, such quorum shall not be present or represented at the meeting, members entitled to vote thereat have power to adjourn the meeting from time to time without notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5 - Proxy. 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 V

Directors

Section 1 - Number. Until the first meeting of the members, the affairs of the Association shall be managed by three Directors selected by the Declarant, acting in its sole discretion. After the first meeting of the members, the affairs of the Association shall be managed by a Board of six Directors who need not be members of the Association.

Section 2 - Term of Office. At the first annual meeting the members shall select two Directors to a term of one year, two Directors for a term of two years, and two Directors for a term of three years; and at each annual meeting thereafter the members shall elect two Directors for a term of three years.

Section 3 - Removal. Any Director may be removed from the Board, with or without cause, by a majority vote by 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 which he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

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 Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed to 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. Such nominations may be made from among the members or non-members.

Section 2 - Election. Election to the Board of Directors shall be by secret written ballot. At such election the members of 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.

ARTICLE VII

Meetings of Directors

Section 1 - Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall on a legal holiday, then 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 two Directors, after not less than three days' notice to each Director.

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

Section 4 - Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could have taken 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 VIII

Powers and Duties of the Board of Directors

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

(a) administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration;

(b) 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 infraction thereof;

(c) suspend the voting rights and the right to use the common areas and 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;

(d) 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 By-Laws, the Articles of Incorporation or the Declaration;

(e) declare the office of a member of the Board of Directors to be vacated in the event such member shall be absent from three consecutive regular meetings of the Board of Directors; and

(f) employ a manager, independent contractors or such other employees as the Board shall 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 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 Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each lot at least 30 days in advance of each annual assessment period;

(2) send written notice of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period;

(3) foreclose the lien against any property for which assessments are not paid within 30 days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, 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 the certificates), if a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and casualty insurance on the common areas and on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded in accordance with the Declaration;

(g) cause the common areas to be maintained and repaired or replaced.

ARTICLE IX

Officers and Their Duties

Section 1 - Enumeration of Officers. The officers of this Association shall be a President and a Vice-President, who shall at all times be members of the Board of Directors, a Secretary and 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 shall hold office for one year, unless he shall sooner resign, 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 by giving written notice to the Board, the President or the Secretary. Such 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 the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any 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 and the meetings of the membership; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign 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; keep

the corporate seal of the Association and affix it on all papers requiring said seal; 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 such other duties as required by the Board.

(d) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; cause an audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a 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

The Board of Directors shall appoint a Nominating Committee as provided in these By-Laws and an Architectural Control Committee as provided for in the Declaration. In addition, the Board of Directors shall appoint such other committees as deemed appropriate in carrying out its purpose.

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 the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at cost.

ARTICLE XI

Assessments

As more fully provided for in the Declaration, each member is obligated to pay 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 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of 15 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. Interest, costs and attorney's fees of any such action shall be added to the amount of any such assessment. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common areas or abandonment of his lot.

ARTICLE XII

Indemnification of Directors and Officers

The Association shall indemnify every Director and officer, and his heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a Director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty by gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Section shall, however, be deemed to obligate the Association to indemnify any member or owner of a lot who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred as a member or owner of a lot under or by virtue of the Declaration.

ARTICLE XIII

Mortgages

Section 1 - Notice to Association. Every owner who mortgages his lot shall notify the Association by giving the name and address of his mortgagee to the President of the Association. The Association shall maintain such information in a book entitled "Mortgages of Lots".

Section 2 - Notice of Default. The Association shall give any first mortgagee who shall so request written notification of the existence of any assessment which remains unpaid for over 60 days or any other default of an owner which remains uncured for over 60 days.

ARTICLE XIV

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: SUNDANCE HOMEOWNERS ASSOCIATION.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Sundance Home-owners Association, a Colorado Nonprofit Corporation; and

That the foregoing By-Laws constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 27 day of June, 1985.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 27 day of June, 1985.

Virginia Posse
Secretary