

THE
BYLAWS
OF
DAKOTA RIDGE WEST
HOMEOWNERS ASSOCIATION

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BYLAWS
OF
DAKOTA RIDGE
HOMEOWNERS ASSOCIATION

ARTICLE ONE: OBJECT

1.1 Association. THE DAKOTA RIDGE WEST HOMEOWNERS ASSOCIATION, (Association), is a nonprofit corporation, organized under the Colorado NonProfit Corporation Act, with its principal office at the address of its Registered Agent on file with the Secretary of State of Colorado, Denver, Colorado. These Bylaws are adopted for the administration, regulation and management of the affairs of the Association.

1.2 Purpose. The purpose for which the Association is formed is to govern the residential community situated in the DAKOTA RIDGE EAST AND DAKOTA RIDGE WEST SUBDIVISIONS, subdivisions in the County of Boulder, State of Colorado, which are subject to the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE DAKOTA RIDGE WEST AND DAKOTA RIDGE EAST SUBDIVISIONS, as amended from time to time, recorded in the office of the County Clerk and Recorder, Boulder County, Boulder, Colorado, (the "Declaration")

1.3 Terms Defined in Declaration. Terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition as in the Declaration. The term "Board of Directors" is used in the Articles of Incorporation, is synonymous with the term "Executive Board", as used in the Colorado Common Interest Ownership Act, C.R.S. Section 38-33.3-101 et seq. and in the Declaration.

1.4 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado NonProfit Corporation Act, The Colorado Common Interest Ownership Act, the Declaration, and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado, as any of the Foregoing may be amended from time to time.

ARTICLE TWO: OFFICES

2.1 Principal Office. The Executive Board, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association.

2.2 Registered Office and Agent. The Colorado NonProfit Corporation Act requires that the Association have and continuously maintain in the state of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified

in the Articles of Incorporation of the Association but may be changed by incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

ARTICLE THREE: MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Person who is a record Owner of a fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association, including contract sellers. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of such Lot shall be the sole qualification for such Membership. Wherefore than one person holds interest in any Lot, all such persons shall be members.

3.2 Voting rights. The Association shall have one class of voting membership.

Members shall all be Owners, including the Declarant, and shall be entitled to one vote for each Lot owned.

The vote for a Lot which is owned by more than one Owner may be exercised by any one of them, unless an objection or protest by any other holder of an interest in the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any such Lot.

ARTICLE FOUR: MEETINGS OF THE MEMBERS

4.1 Place of Meetings. Meetings of the Association shall be held at such place within Boulder County as the Board of Directors may determine.

4.2 Annual Meetings. The First Annual Meeting of the Association shall be held within one year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Association shall be held at the date and time selected by the Executive Board. At such meetings, the Members may transact such business of the Association as may properly come before the meeting.

4.3 Special Meetings. Special meetings of the Association may be called at any time by the President, or by the Executive Board, upon written request of the Members to which at least twenty percent of the votes in the Association are allocated.

4.4 Notice of Meetings. Written notice of each meeting of the Association shall be given by, or at the direction of, the President or Secretary of the Association by hand delivery or mailing a copy of such notice, postage prepaid, or a combination thereof, at least ten days but not more than fifty days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the

purpose of notice. Such notice shall specify the place, day and hour of the meeting, and items on the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any Budget changes, and any proposal to remove an officer or member of the Executive Board.

4.5 Quorum. The presence at a meeting of Members of the Association entitled to cast, or of proxies entitled to cast, twenty percent of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws. An affirmative vote of a majority of the votes present at which a quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Members.

4.6 Proxies. At all meetings of the Association, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the time of such meeting. Proxies may be given to other Members of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. No proxy shall extend beyond a period of sixty days. A proxy is void if it is not dated.

4.7 Cumulative Voting Not Permitted. Cumulative voting in the election of Directors is not permitted.

ARTICLE FIVE : THE EXECUTIVE BOARD

5.1 The Executive Board During the Declarant Control Period. Initially three Executive Board Members shall be selected by the Declarant, acting in its sole discretion, and shall serve at the pleasure of the Declarant until the occurrence of one of the following:

a) Within sixty days (60) after conveyance to Unit owners other than Declarant, of twenty-five (25%) percent of the Units that may be created, at least one Member and not less than twenty-five (25%) percent of the Members of the Executive Board must be elected by Unit Owners other than the Declarant.

b) Within 60 (60) days after conveyance to Unit Owners other than Declarant of fifty percent (50%) of units that may be created, not less than thirty-three and one third percent (33-1/3%) of the Members of the Executive Board must be elected by Unit Owners other than the Declarant.

c) Within sixty (60) days after conveyance to Unit Owners other than a Declarant, of seventy-five (75%) percent of the Units which may be created; within two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business; or within two (2) years after any right to add new units was last exercised; the Unit Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant. The Executive Board shall elect the officers of the Association. The Executive Board members and officers shall take office upon election.

In addition, Declarant may voluntarily surrender the right to appoint members of the Executive Board, but in such event, may continue to require Declarant's approval for certain specified actions as described in a recorded instrument executed by Declarant at such time.

For purposes of this Declaration, the maximum number of Units which shall be subject to the provisions hereunder and which the Declarant reserves the right to create shall be 124. Declarant reserves the right at any time within fifteen (15) years from the date of this Declaration is recorded, to add additional real property to this common interest community. Said additional real property is not described hereunder but shall not exceed ten percent (10%) of the total area described on Exhibit A attached hereto.

5.2 The Executive Board After the Declarant Control Period. The initial terms of the Executive Board shall be fixed at the time of their election as they among themselves shall determine. Initially the term of one of the Board Members shall be fixed at one year; the term of one Board Member shall be fixed at two years; and the term of one Board Member shall be fixed at three years. At the expiration at the initial term of office of each respective member of the Board, a successor shall be elected to serve for a term of three years. Executive Board Members shall continue in office until their successors have been elected, unless resigns, is removed or becomes disqualified to be an Executive Board Member..

The number of Executive Board Members and their terms may be changed by amendment to these Bylaws.

5.3 Qualifications/Nominations. An elected Board Member must be an Owner of a Lot within the Properties or be an officer of a corporate Owner of a Lot, or a partner in a partnership owning a Lot, or a Trustee of a Trust owning a Lot, or a Corporate Officer, Partner or a Trustee of an entity which owns a Lot, such Member's term on the Board shall immediately terminate, and a new Board Member shall be selected as promptly as possible to take place. An Executive Board Member may be reelected, and there shall be no limit as to the number of terms an Executive may serve.

Nomination for election to the Executive Board 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 Executive Board, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Executive Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may only be made from among the Members.

5.4 Election. Election to the Executive Board shall be made by written ballot. At such election 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.

5.5 Resignation/Removal of Executive Board Members. Any Executive Board Member may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

Any Executive Board Member may be removed from the Board, with or without cause, by a majority vote of the Members or the Association.

5.6 Vacancies in Executive Board. Any vacancy occurring in the Executive Board shall be filled by the affirmative vote of a majority of the remaining Board Members though less than a quorum of the Board. An Executive Board Member or appointed to fill a vacancy shall be elected or appointed for the expired term of his or her predecessor in office. A Board Membership to be filled by reason of an increase in the number of Executive Board Members shall be filled only by vote of the Membership.

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

ARTICLE SIX: MEETINGS OF THE EXECUTIVE BOARD

6.1 Regular Meetings. Regular meetings of the Executive Board shall be held as the needs of the Association dictate, but at least quarterly upon seven days' notice, at such place and hour as may be fixed from time to time by resolution of the Board.

6.2 Special Meetings. Special Meetings of the Executive Board shall be held when called by the President of the Association, or by any two Executive Board Members, after not less than three days' notice to each Board Member.

6.3 Purpose of Meetings. Neither the business to be transacted at, nor the purpose of, any Regular or Special Meeting of the Executive Board need to be specified in the notice of waiver of notice of such meeting.

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

6.5 Proxies. An Executive board Member shall not be entitled to vote by proxy at any meeting of the Executive Board.

6.6 Waiver of Notice. A waiver of notice of any meeting or the Executive Board Members, signed by an Executive board Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance in person of an Executive Board Member at a meeting shall constitute waiver of notice of such meeting except when the Member attends for the express

purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

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

ARTICLE SEVEN: POWERS AND DUTIES OF THE EXECUTIVE BOARD

7.1 Powers. The Executive Board 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; and
- b) establish, make and enforce compliance with such reasonable Rules and Regulations as may be necessary to govern the use of the Properties and the personal conduct of the Members, members of their household, invitees, and guests thereon, and the right to amend the same from time to time, and establish penalties for the violations of same; and
- c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declarations; and
- d) declare the office of a Member of the Executive Board to be vacant in the event such Member shall be absent from three consecutive regular meetings of the Executive Board; and
- e) hire and terminate a managing agent or such other employees as they deem necessary, and to prescribe their duties. All of the powers and duties granted to the Board hereunder may be delegated to a managing agent; provided however that such delegation shall not relieve the Executive Board of any responsibility therefor;
- f) suspend the voting rights 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 sixty days for infraction of published Rules and Regulations; and
- g) enter into, make, perform or enforce contracts, agreements, licenses, leases, easements and/or rights of way and agreements of every kind and description.

7.2 Duties. It shall be the duty of the Executive Board to:

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereon to the Members at the Annual Meeting of the Association, or at any Special Meeting when such statement is requested in writing by Members representing at twenty-five percent of the votes; and
- 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:
 - (i) establish the amount of the Annual Budget of the Association and the amount of the Annual Assessment for Common Expenses; and
 - (ii) fix the amount of the individual Assessments and establish Fines; and
- d) collect all assessments as levied by the Executive Board from the Owners as are authorized in the Declaration. From the assessments collected, provide for payment of the Association's Common Expenses required by the Declaration, together with the establishment of necessary reserves as are required by the Declaration or are deemed necessary by the Executive Board in their discretion; and
- e) prepare, record and foreclose the lien against any Lot for which assessments are not paid or bring as action at law against the Owner personally obligated to pay the same; and
- f) establish a reasonable late fee for nonpayment of assessments in accordance with the Declaration, as the Executive Board, in its discretion, may determine from time to time and uniformly applied; and
- g) procure and maintain adequate liability insurance and hazard on insurable improvements located on property maintained by the Association in accordance with the Declaration and such other insurance policies as are required by the Declarations and the Executive Board deems necessary or advisable; and
- h) keep in good order, condition and repair that portion of the Properties which the Association maintains in accordance with the Declaration; and
- i) institute, defend, or intervene in some litigation or administrative proceedings in its own name on behalf of itself or an Owner on matters affecting The Properties; and
- j) enjoin or seek damages from, or assess Fines and Individual Assessments against an Owner for Violation of the provisions of the Declaration, the Bylaws, the Articles or the Rules and Regulations of the Association as more fully provided for in the Declaration; and
- k) furnish upon demand and for a reasonable charge, a Certificate to an Owner or such Owner's First Mortgagee signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly

executed Certificate of the Association as to the status of the assessments on a Lot is binding on the Association as of its issuance; and

l) cause all officers or employees having fiscal responsibilities to be bonded, in accordance with the Declaration; and

m) enter upon a Lot when necessary without being guilty of trespass in the performance of its duties as outlined in the Declaration; and

n) borrow money, providing such security as is necessary, providing that such borrowing has the prior written approval of Members who are entitled to cast at least sixty-seven percent of the votes in the Association allocated to each class of Membership; and

o) exercise any other powers conferred by the Declaration, Articles or Bylaws; and

p) exercise all other powers necessary for the proper governing and operation of the Association.

ARTICLE EIGHT: OFFICERS AND THEIR DUTIES

8.1 Enumeration of Officers. The officers of the Association shall be President, Vice-President, Secretary and Treasurer, who shall at all times be members of the Executive Board and such other officers as the Board may from time to time by resolution create.

8.2 Election of Officers. The Election of officers shall take place at the first Regular Meeting of the Executive Board following each Annual Meeting of the Association.

8.3 Term. The officers of this Association shall be elected annually by the Executive Board and shall hold office for one year or until their successors are appointed, whichever is later unless he or she shall sooner resign, or be removed, or otherwise disqualified to serve.

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

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board whenever in the Executive Board's judgment and the best interest of the Association will be served thereby. Any officer may resign at any time by giving written notice to the Secretary of the Executive Board. Such resignation shall take effect of the date of the receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

8.6 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 or she replaces.

8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to paragraph 8.4 hereof.

8.8 Duties. The duties of the officers are as followed:

a) President. The President shall be the principal executive officer of the Association and, subject to the control of the Executive Board, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Executive Board. The President shall execute any amendment to the Declaration.

b) Vice-President. The Vice-President may act in any place of the President in the case of the President's absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Executive Board or by the President.

c) Secretary. The Secretary shall be the custodian of the records and seal of the Association; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law; shall see that the books, reports, and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of the Board; shall keep at the principal office of the Association and a record of the names and addresses of the Members; and, in general, shall perform such other duties as may, from time to time, be assigned by the Board or by the President. The Secretary shall prepare, certify and record any amendment to the Declaration.

d) Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board; shall cause such funds to be disbursed in payment of valid obligations of the Association; shall keep correct and complete financial records and books of accounts and records of financial transactions and of the financial condition of the Association, and shall submit such reports thereof as the Board may, from time to time, require; shall cause an annual audit of the Association's books to be made by any accountant at the completion of each fiscal year, if so directed by the Board or if requested to do so by a First Mortgagee in accordance with Paragraph 12.3 hereof; and shall prepare an annual budget and a statement of income and expenditures to be presented at the Association's Annual Meeting and such other duties as may from time to time be assigned by the Board or by the President.

ARTICLE NINE: COMMITTEES

The Board shall appoint an Architectural Control Committee, as provided in the Declaration, and the Nominating Committee, as provided in the Declaration, and Nominating Committee provided in these Bylaws. In addition, the Board shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE TEN: AMENDMENTS

These Bylaws may be amended, at an Annual or Special Meeting of the Association, by a vote of a majority of a quorum of Members present in person or by proxy.

If the Properties have been or are to receive Veterans Administration and/or Federal Housing Administration approval, then at any time during the period of Declarant control, such agencies shall have the rights to veto amendments.

ARTICLE ELEVEN: NOTICE AND HEARING PROCEDURE

The Board shall not impose a Fine, Individual Assessment, suspend voting rights, or infringe upon any other rights of a Member for violations of Rules and Regulations of the Association or of the Declaration unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after Notice and Hearing, if the violation is not continuing.

(b) Notice. If the violation continues past the period allowed in the Demand for abatement without penalty or if the same rule is subsequently violated within twelve months of the demand, the Board shall serve the violator with written notice of a Hearing to be held by the Board. The notice shall contain:

- (i) the nature of the alleged violation;
- (ii) the time and place of the Hearing, which time shall not be less than ten days from the giving of the Notice;

(iii) an invitation to attend the Hearing and produce any statement, evidence, and witness on his or her behalf; and

(iv) the proposed sanction to be imposed.

(c) Hearing. The Hearing shall be held pursuant to this Notice affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of Notice and the invitation to be heard shall be placed in the Minutes of the Meeting. Such proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of the delivery, is entered by the Officer, Board member, or agent who delivered such Notice. The Notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The Minutes of the Meeting shall contain a written statement of the results of the Hearing and the sanction, if any imposed. The decision of the Board shall be final.

However, in no event shall the Board suspend a Member's right to use the Properties, or such Member's voting rights for infraction of the Association's Rules and/or Regulations for a period in excess of sixty days.

These procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of delinquent assessments.

The Architectural Control Committee and the Modification Review Committee shall employ the above procedures before ordering modification or removal of any improvement to property erected without such committee's proper consent or recording a Notice of Noncompliance against a Lot.

ARTICLE TWELVE: MISCELLANEOUS

12.1 Proof of Ownership/Voter Designation. Except for those Owners who initially purchased a Lot from Declarant and except for those owners who purchase from the Veterans Administration pursuant to an unrecorded executory land sales contract, or an assignment of the purchasers' rights thereunder (who shall be required by the Association to furnish copies of the unrecorded documents), every person becoming an Owner of a Lot shall immediately furnish to the Board a photocopy of the recorded instrument vesting in that person such Ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he or she be entitled to vote at any Annual or Special Meeting of the Association unless this requirement is first met.

Prior to each Annual Meeting or Special Meeting of the Association, any corporation, partnership or trust owning a Lot shall advise the Secretary of the Association which of its officers, partners or trustees are designated to vote that Lot's vote.

12.2 Character of Association. This Association is not organized for profit. No Member, member of the Executive Board or officer shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the

Association be distributed to, or inure to the benefit of, any Board Member, officer or Members. A reasonable salary may be paid to any Member who is in the employ of the Association for his or her services as such employee, and that any Member, Manager, Board Member or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

12.3 Inspection of Records/Audit. The Association shall make available to Owners and their mortgagees, current copies of the Declaration, Articles of Incorporation, Bylaws and other Rules and Regulations governing the Properties and the books, records and financial statements of the Associations. "Available" means available for inspection upon request during normal business hours or other reasonable circumstances at the office of the Association where copies may be purchased at a reasonable cost.

Upon ten days' notice to the Association, and upon payment of a reasonable fee, any Owner of such Owner's First Mortgagee shall be furnished a statement of his or her accounting, setting forth the amount of any unpaid assessments or other charges due and owing from such Owner and/or an estoppel certificate.

Mortgagees holding mortgages or deeds of trust on Lots within The Properties shall be entitled to have an audited Financial Statement for the immediately preceding fiscal year prepared at such mortgagee's expense if one is not otherwise available. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

The Association shall also be required to make available to prospective purchasers current copies of the Declaration, Bylaws, Articles of Incorporation, and other Rules and Regulations governing statement, if such is prepared.

12.4 Indemnification. The Association shall indemnify every present and former director, officer, agent or employee against loss, costs, and expenses, including attorneys' fees reasonably incurred in connection with any action, suite or proceeding in which such person may be made a party by reason of being, or having been such Board Member, officer agent of employee of the Association, except as to matters concerning which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnification shall be limited to and may only be paid out of the insurance proceeds provided by an insurer furnishing officers and Board Members Errors and Omissions insurance coverage or similar protection and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this Paragraph to limit all payments or settlements in indemnification to the actual proceeds of insurance policies received by the Association, provided, however, any deductible shall be paid by the Association.

No officer, director, agent or employee of the Declarant, its successors and assigns, shall be protected by these indemnification provisions.

In the event of a settlement, the settlement shall be approved by the Executive Board, and paid by the insurance carrier out of the insurance proceeds.

12.5 Corporate Seal. The Executive Board shall adopt a seal which shall have inscribed thereon the name of the Association and the words "Seal" and "Colorado".

12.6 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, unless changed by the Executive Board. The First year shall begin on the date of incorporation.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this _____ day of _____, 1994.

THE DAKOTA RIDGE WEST HOMEOWNERS ASSOCIATION

Executive Board Member

Executive Board Member

Executive Board member

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am duly elected and acting secretary of the DAKOTA RIDGE WEST HOMEOWNERS ASSOCIATION, a Colorado corporation.

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a Meeting of the Board of Directors thereof, held on the _____ day of _____, 1994.

Secretary