

BYLAWS
OF
HARVEST GOLD VILLAGE HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 - INTRODUCTION AND PURPOSE	1
Section 1.1--Introduction	1
Section 1.2--Purposes	1
Section 1.3--Persons Subject to Bylaws	1
ARTICLE 2 - BOARD	1
Section 2.1--Number and Qualification--Termination of Declarant Control	1
Section 2.2--Powers and Duties	2
Section 2.3--Manager	2
Section 2.4--Removal of Members of the Executive Board	2
Section 2.5--Vacancies	2
Section 2.6--Regular Meetings	3
Section 2.7--Special Meetings	3
Section 2.8--Location of Meetings	3
Section 2.9--Waiver of Notice	3
Section 2.10--Quorum of Members of the Executive Board	3
Section 2.11--Consent to Corporate Action	4
Section 2.12--Telephone Communication in Lieu of Attendance	4
ARTICLE 3 - OWNERS	4
Section 3.1--Membership	4
Section 3.2--Annual Meeting	4
Section 3.3--Budget Meeting	4
Section 3.4--Special Meetings	4
Section 3.5--Place of Meetings	5
Section 3.6--Notice of Meetings	5
Section 3.7--Waiver of Notice	5
Section 3.8--Adjournment of Meeting	5
Section 3.9--Order of Business	5
Section 3.10--Voting	5
Section 3.11--Quorum	6
Section 3.12--Majority Vote	6
Section 3.13--Owner Addresses for Notices	6
Section 3.14--Rules at Meeting	6
ARTICLE 4 - OFFICERS	6
Section 4.1--Designation	6
Section 4.2--Election of Officers	7
Section 4.3--Removal of Officers	7
Section 4.4--President	7

Section 4.5--Vice President	7
Section 4.6--Secretary	7
Section 4.7--Treasurer	8
Section 4.8--Agreements, Contracts, Deeds, Checks, Etc.	8
Section 4.9--Statements of Unpaid Assessments	8
ARTICLE 5 - ENFORCEMENT	8
Section 5.1--Abatement and Enjoinment of Violations by Owners	8
Section 5.2--Fines for Violation	9
ARTICLE 6 - INDEMNIFICATION	9
ARTICLE 7 - RECORDS	9
Section 7.1--Records and Audits	9
Section 7.2--Examination	9
Section 7.3--Records	9
ARTICLE 8 - MISCELLANEOUS	10
Section 8.1--Notices	10
Section 8.2--Fiscal Year	11
Section 8.3--Waiver	11
Section 8.4--Office	11
Section 8.5--Working Capital	11
Section 8.6--Reserves	11
ARTICLE 9 - AMENDMENTS TO BYLAWS	11
Section 9.1--Vote of Executive Board Members	11
Section 9.2--Restrictions on Amendments	11

**BYLAWS
OF
HARVEST GOLD VILLAGE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE 1 - INTRODUCTION AND PURPOSE

Section 1.1--Introduction.

These are the Bylaws of Harvest Gold Village Homeowners Association, Inc., which Association shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended ("Act").

Section 1.2--Purposes.

The purposes for which the Association was formed are to preserve and enhance the value of the properties of Owners and to govern the Common Interest Community and the Common Area of Harvest Gold Village, a Planned Community situated in the County of Larimer, State of Colorado, as the Common Interest Community was created pursuant to that certain recorded Declaration recorded July 31, 2001, under Reception No. 2001063624 of the real property records of Larimer County, Colorado (hereinafter "Declaration"). Terms which are defined in the Declaration shall have the same meaning herein, unless defined otherwise in these Bylaws.

Section 1.3--Persons Subject to Bylaws.

All present or future Owners, tenants, future tenants, guests, or any person that might use or occupy the facilities within the Common Interest Community, are subject to the terms and provisions of these Bylaws, the Articles of Incorporation of the Association, the Declaration, and Rules and Regulations adopted pursuant to the terms of the Declaration (hereinafter collectively referred to as the "Documents of the Common Interest Community"). The mere acquisition, rental, or use of a Lot/Dwelling Unit will signify that the Documents of the Common Interest Community are acceptable, ratified, and will be complied with.

ARTICLE 2 - BOARD

Section 2.1--Number and Qualification--Termination of Declarant Control.

(a) The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which, until the termination of the period of Declarant control, shall consist of two persons, and following such date shall consist of three persons, all of whom, excepting the Executive Board members appointed by the Declarant, shall be Owners. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Owner shall be eligible to serve as a member of the Executive Board and shall be deemed to be an Owner for the purposes of these Bylaws. Members of the Executive Board shall be elected by Owners, except for those appointed by the Declarant. At any meeting at which members of the Executive Board are to be elected, the Owners may, by resolution, adopt specific

procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

(b) The terms of at least one-third of the members of the Executive Board not appointed by the Declarant shall expire annually.

(c) The Declaration shall govern appointment of members of the Executive Board during the period of Declarant control.

(d) The Executive Board shall elect the officers. The members of the Executive Board and officers shall take office upon election.

(e) At any time after Owners, other than the Declarant, are entitled to elect a member of the Executive Board, the Association shall call a meeting and give not less than 10 nor more than 50 days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so.

Section 2.2--Powers and Duties.

The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws, or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including the powers and duties set forth in the Declaration and Articles of Incorporation.

Section 2.3--Manager.

The Executive Board may employ a manager for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. Regardless of any delegation to a manager or managing agent, the members of the Executive Board shall not be relieved of responsibilities under the Declaration, the Articles of Incorporation, these Bylaws, or Colorado law.

Section 2.4--Removal of Members of the Executive Board.

The Owners, by vote of Owners holding two-thirds of the votes of the Association, at any meeting of the Owners at which a quorum is present, may remove a member of the Executive Board, with or without cause, other than a member of the Executive Board appointed by the Declarant.

Section 2.5--Vacancies.

Vacancies in the Executive Board caused by any reason other than the removal of a member of the Executive Board by a vote of the Owners, may be filled at a special meeting of the Executive Board

held for that purpose at any time after the occurrence of the vacancy, even though the members of the Executive Board present at that meeting may constitute less than a quorum. These appointments shall be made in the following manner:

(a) As to vacancies of members of the Executive Board whom Owners other than the Declarant elected, by a majority of the remaining members of the Executive Board; and

(b) As to vacancies of members of the Executive Board whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a member of the Executive Board for the remainder of the term of the Member so replaced.

Section 2.6--Regular Meetings.

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

Section 2.7--Special Meetings.

Special meetings of the Executive Board may be called by the president or by a majority of the members of the Executive Board on at least three business days' notice to each member of the Executive Board. The notice shall be hand-delivered or mailed and shall state the time, place, and purpose of the meeting.

Section 2.8--Location of Meetings.

All meetings of the Executive Board shall be held within Colorado, unless all members of the Executive Board consent in writing to another location.

Section 2.9--Waiver of Notice.

Any member of the Executive Board may waive notice of any meeting in writing. Attendance by a member of the Executive Board at any meeting of the Executive Board shall constitute a waiver of notice. If all the members of the Executive Board are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.10--Quorum of Members of the Executive Board.

At all meetings of the Executive Board, a majority of the members of the Executive Board shall constitute a quorum for the transaction of business. At a meeting at which a quorum is present, the votes of a majority of the members of the Executive Board present at a meeting at which a quorum is present shall constitute a decision of the Executive Board unless there are less than three such members, in which case, unanimity of the members of the Executive Board is required to constitute a decision of the Executive Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 2.11--Consent to Corporate Action.

If all the members of the Executive Board severally or collectively consent in writing to any action taken or to be taken by the Executive Board, and the number of the members of the Executive Board constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board. The secretary shall file these consents with the minutes of the meetings of the Executive Board.

Section 2.12--Telephone Communication in Lieu of Attendance.

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

ARTICLE 3 - OWNERS

Section 3.1--Membership.

Membership in the Association is appurtenant to each Lot/Dwelling Unit in the Property. Membership is more fully addressed in the Articles of Incorporation and the Declaration.

Section 3.2--Annual Meeting.

Annual meetings of Owners shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Executive Board and set forth in the notice. At these meetings, the members of the Executive Board shall be elected by ballot of the Members, in accordance with the provisions of these Bylaws. The Owners may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

Section 3.3--Budget Meeting.

Meetings of Owners to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at annual or special meetings called for other purposes as well.

Section 3.4--Special Meetings.

Special meetings of the Association may be called by the President, by a majority of the members of the Executive Board, or by Owners comprising 20 percent of the votes in the Association.

Section 3.5--Place of Meetings.

Meetings of the Owners shall be held within Larimer County, Colorado.

Section 3.6--Notice of Meetings.

The Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Member not less than 10 nor more than 50 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.7--Waiver of Notice.

Any Member may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.8--Adjournment of Meeting.

At any meeting of Owners, Members holding a majority of the votes of the Association present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.9--Order of Business.

The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Reading of minutes of preceding meeting;
- (d) Reports;
- (e) Establish number and term of memberships of the Executive Board (if required and noticed);
- (f) Election of inspectors of election (when required);
- (g) Election of members of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and

- (j) New business.

Section 3.10--Voting.

- (a) Only the Member is entitled to cast the vote allocable to the Lot/Dwelling Unit at a meeting of the Association.
- (b) The vote allocable to a Lot/Dwelling Unit may be cast under a proxy duly executed by a Member. A Member may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.
- (c) The vote of a corporation, business trust or partnership shall be cast by the individual designated by said entity to be the Member of the Association for voting purposes. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, or business trust has been so designated.
- (d) Votes allocated to a Lot/Dwelling Unit owned by the Association may not be cast.

Section 3.11--Quorum.

Except as otherwise provided in these Bylaws, the Members present in person or by proxy at any meeting of Owners holding not less than 20 percent of the votes of the Association shall constitute a quorum at that meeting.

Section 3.12--Majority Vote.

The vote of Members holding a majority of votes in the Association present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, or by law.

Section 3.13--Owner Addresses for Notices.

Unless a Member notifies the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Member or any other written instrument to be given to any Member, may be mailed to such Member in a postage prepaid envelope and mailed by first class, registered, or certified mail to the address of the Member shown upon the Association's records. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

Section 3.14--Rules at Meeting.

The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Owners. In the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 4 - OFFICERS

Section 4.1--Designation.

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint in Assistant Treasurer, an Assistant Secretary and other officers as it finds necessary. The President and Vice President, but not other officers, need to be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2--Election of Officers.

The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board. They shall hold office at the pleasure of the Executive Board.

Section 4.3--Removal of Officers.

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

Section 4.4--President.

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Owners and of the Executive Board. The President shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration, and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

Section 4.5--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 member of the Executive Board 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.

Section 4.6--Secretary.

The Secretary shall keep the minutes of all meetings of the Owners and the Executive Board. The Secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may caused to be prepared and may attest to execution by the President of amendments to the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

Section 4.7--Treasurer.

The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in the depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes, and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two members of the Executive Board, one of whom may be the Treasurer if the Treasurer is also a member of the Executive Board.

Section 4.8--Agreements, Contracts, Deeds, Checks, Etc.

Except as provided in Sections 4.4, 4.6, 4.7, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.9--Statements of Unpaid Assessments.

The Treasurer, Assistant Treasurer, a manager employed by the Association, if any, or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with the Act.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed against the Unit for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1--Abatement and Enjoinment of Violations by Owners.

The violation of any of the Rules adopted by the Executive Board or the breach of any provision of the Documents shall give the Executive Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

(a) To enter the yard area of any Lot in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that is existing on said Lot contrary to the intent and meaning of the provisions of the Documents. The Executive Board shall not be deemed liable for any manner of trespass by this action; or

(b) To enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2--Fines for Violation.

By resolution, following notice and hearing, the Executive Board may levy reasonable fines per day for each day that a violation of the Documents persists after notice and hearing.

ARTICLE 6 - INDEMNIFICATION

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in Colorado Nonprofit Corporation Act and the Articles of Incorporation, the provisions of which are incorporated herein by reference and made a part of this document.

ARTICLE 7 - RECORDS

Section 7.1--Records and Audits.

The Association shall maintain financial records. The cost of any audit shall be a Common Expense unless otherwise provided in the Documents.

Section 7.2--Examination.

All records maintained by the Association or any manager shall be available for examination and copying by any Owner, any holder of a Security Interest in a Lot/Dwelling Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3--Records.

The Association or its manager or managing agent, if any, may keep the following records:

- (a) An account for each Lot/Dwelling Unit, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot/Dwelling Unit, the amount of each assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;
- (b) An account for each Owner showing any other fees payable by the Owner;
- (c) A record of capital expenditures approved by the Executive Board;
- (d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement, and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
- (e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (f) The current operating budget adopted pursuant to the Act and ratified pursuant to the procedures of the Act;
- (g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- (h) A record of insurance coverage provided for the benefit of Owners and the Association;
- (i) A record of any alterations or improvements to Dwelling Units which violate any provisions of the Declaration of which the Executive Board has knowledge;
- (j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire, or building codes or laws, ordinances, or regulations of which the Executive Board has knowledge;
- (k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Area;
- (l) Balance sheets and other records required by Colorado corporate law;
- (m) Tax returns for state and federal income taxation;
- (n) Minutes of proceedings of Owners, the Executive Board, and committees of Directors, and waivers of notice; and

(o) A copy of the most current versions of the Declaration, Articles of Incorporation, Bylaws, Rules, and resolutions of the Executive Board, along with their exhibits and schedules.

ARTICLE 8 - MISCELLANEOUS

Section 8.1--Notices.

All notices to the Association or the Executive Board shall be delivered to the office of the manager, or, if there is no manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Members and to all holders of Security Interests in the Lots/Dwelling Units who have notified the Association that they hold a Security Interest in a Lot/Dwelling Unit. Except as otherwise provided, all notices to any Member shall be sent to the Member's address as it appears in the records of the Association. All notices to holders of Security Interests in the Lots/Dwelling Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2--Fiscal Year.

The Executive Board shall establish the fiscal year of the Association.

Section 8.3--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.

Section 8.4--Office.

The principal office of the Association shall be on the Property or at such other place as the Executive Board may from time to time designate.

Section 8.5--Working Capital.

(a) A working capital fund is established pursuant to the Declaration. Any amounts paid into this fund shall not be considered as advance payment of Assessments. Each Lot's share of the working capital fund shall be collected and then contributed to the Association by the Declarant at the time the sale of the Lot is closed or at the termination of Declarant control. Until paid to the Association, the contribution to the working capital shall be considered an unpaid General Assessment, with a lien on the Declarant's unsold Lots/Dwelling Units pursuant to the Act. While the Declarant is in control of the Executive Board, the Declarant cannot use any of the working capital funds to defray Declarant expenses, reserve contributions, or construction costs.

Section 8.6--Reserves.

As a part of the adoption of the regular budget, the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Area that it is obligated to maintain, based upon the project's age, remaining life, and the quantity and replacement cost of major Common Area improvements.

ARTICLE 9 - AMENDMENTS TO BYLAWS

Section 9.1--Vote of Executive Board Members.

The Bylaws may be amended only by vote of two-thirds of the members of the Executive Board, following notice and opportunity to comment to all Owners, at any meeting duly called for such purpose.

Section 9.2--Restrictions on Amendments.

No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any Security Interest covering any Unit or which would materially change the provisions of the Bylaws with respect to a first lien priority Security Interest or the interest of an institutional mortgagee of record.

ATTEST: Certified to be the Bylaws adopted by consent of the Executive Board of Harvest Gold Village Homeowners Association, Inc., dated July 31, 2001.

Leroy Gabriel
Secretary