

**BYLAWS**  
**OF**  
**ROXBOROUGH VILLAGE FIRST HOMEOWNERS'**  
**ASSOCIATION, INC.**

**BYLAWS  
OF  
ROXBOROUGH VILLAGE FIRST HOMEOWNERS'  
ASSOCIATION, INC.**

Table of Contents

	<u>Page</u>
ARTICLE 1 GENERAL . . . . .	1
1.1 Purpose of Bylaws . . . . .	1
1.2 Terms Defined in the Declaration . . . . .	1
1.3 Controlling Laws and Instruments . . . . .	1
ARTICLE 2 OFFICES . . . . .	1
2.1 Principal Office . . . . .	1
2.2 Registered Office and Agent . . . . .	1
ARTICLE 3 MEMBERS; VOTING MEMBERS AND VOTING RIGHTS . . . . .	2
3.1 Organization . . . . .	2
3.2 Membership and Voting . . . . .	2
3.3 Resolution of Voting Disputes . . . . .	3
3.4 Suspension of Voting Rights . . . . .	3
3.5 Transfer of Memberships on Association Books . . . . .	3
ARTICLE 4 MEETINGS OF MEMBERS . . . . .	3
4.1 Place of Members' Meetings . . . . .	3
4.2 Annual Meetings of Members . . . . .	3
4.3 Special Meetings of Members . . . . .	4
4.4 Record Date . . . . .	4
4.5 Notice of Members' Meetings . . . . .	4
4.6 Proxies . . . . .	4
4.7 Quorum at Members' Meeting . . . . .	4
4.8 Adjournments of Members' Meetings . . . . .	5
4.9 Vote Required at Members' Meeting . . . . .	5
4.10 Order of Business . . . . .	5
4.11 Officers of Meetings . . . . .	5
4.12 Expenses of Meetings . . . . .	5
4.13 Waiver of Notice . . . . .	5
4.14 Action of Members Without a Meeting . . . . .	5
ARTICLE 5 BOARD OF DIRECTORS . . . . .	5
5.1 General Powers and Duties of Board . . . . .	5
5.2 Special Powers and Duties of Board . . . . .	6
5.3 Qualifications of Directors . . . . .	6
5.4 Number of Directors . . . . .	6
5.5 Appointment, Election and Term of Office . . . . .	6
5.6 Nomination and Election of Directors . . . . .	7

Table of Contents (Continued)

	<u>PAGE</u>
5.7	Removal of Directors . . . . . 7
5.8	Resignation of Directors . . . . . 7
5.9	Vacancies in Directors . . . . . 7
5.10	Executive Committee . . . . . 7
5.11	Other Committees of Association . . . . . 8
5.12	General Provisions Applicable to Committees . . . . . 8
5.13	Manager or Managing Agent . . . . . 8
5.14	Declarant's Duty to Transfer Property . . . . . 8
<b>ARTICLE 6</b>	<b>MEETINGS OF DIRECTORS . . . . . 10</b>
6.1	Place of Meetings of the Board of Directors Meetings . . . . . 10
6.2	Annual Meeting of Directors . . . . . 10
6.3	Other Regular Meetings of Directors . . . . . 10
6.4	Special Meetings of Directors . . . . . 10
6.5	Notice of Directors' Meetings . . . . . 10
6.6	Proxies . . . . . 11
6.7	Quorum of Directors . . . . . 11
6.8	Adjournment of Director's Meetings . . . . . 11
6.9	Vote Required at Directors' Meeting . . . . . 11
6.10	Order of Business . . . . . 11
6.11	Officers at Meetings . . . . . 11
6.12	Waiver of Notice . . . . . 11
6.13	Action of Directors Without a Meeting . . . . . 11
<b>ARTICLE 7</b>	<b>OFFICERS . . . . . 11</b>
7.1	Officers, Employees and Agents . . . . . 11
7.2	Appointment and Term of Office of Officers . . . . . 12
7.3	Removal of Officers . . . . . 12
7.4	Resignation of Officers . . . . . 12
7.5	Vacancies in Officers . . . . . 12
7.6	President . . . . . 12
7.7	Vice President . . . . . 12
7.8	Secretary . . . . . 12
7.9	Treasurer . . . . . 12
<b>ARTICLE 8</b>	<b>INDEMNIFICATION OF OFFICIALS AND AGENTS . . . . . 13</b>
8.1	Certain Definitions . . . . . 13
8.2	Right of Indemnification . . . . . 13
8.3	Prior Authorization Required . . . . . 14
8.4	Success on Merits or Otherwise . . . . . 14
8.5	Payment Procedures . . . . . 14

Table of Contents (Continued)

	<u>PAGE</u>
8.6	Notification to Voting Members . . . . . 15
8.7	Authority to Insure . . . . . 15
8.8	Right to Impose Conditions to Indemnification . . . . . 15
8.9	Other Rights and Remedies . . . . . 15
8.10	Applicability; Effect . . . . . 15
8.11	Indemnification of Agents . . . . . 16
8.12	Savings Clause; Limitation . . . . . 16
ARTICLE 9	MISCELLANEOUS . . . . . 16
9.1	Amendment of Bylaws . . . . . 16
9.2	Compensation of Officers, Directors and Members . . . . . 16
9.3	Books and Records . . . . . 16
9.4	Annual Report . . . . . 17
9.5	Statement of Account . . . . . 17
9.6	Biennial Corporate Reports . . . . . 17
9.7	Fiscal Year . . . . . 17
9.8	Seal . . . . . 17
9.9	Shares of Stock and Dividends Prohibited . . . . . 17
9.10	Loans to Directors and Officers Prohibited . . . . . 18
9.11	Limited Liability . . . . . 18
9.12	Minutes and Presumptions Thereunder . . . . . 18
9.13	Checks, Drafts and Documents . . . . . 18
9.14	Execution of Documents . . . . . 18
ARTICLE 10	NOTICE AND HEARING PROCEDURE . . . . . 18
10.1	Association's Enforcement Rights . . . . . 18
ARTICLE 11	ASSESSMENTS . . . . . 19

**BYLAWS  
OF  
ROXBOROUGH VILLAGE FIRST HOMEOWNERS'  
ASSOCIATION, INC.**

**ARTICLE 1  
GENERAL**

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Roxborough Village First Homeowners' Association, Inc. ("Association"). The Association has been organized as a Colorado corporation under the Colorado Nonprofit Corporation Act ("Act") in conformance with the Colorado Common Interest Ownership Act ("CCIOA") to be and constitutes the Association under the Declaration of Covenants, Conditions and Restrictions of Roxborough Village Subdivision Filing Number 12-A (the "Declaration"). The Declaration has been executed on behalf of Roxborough Acquisition Corporation, a Nebraska corporation, as the "Declarant" thereunder. The Declaration relates to the real property in Douglas County, Colorado, which is or may become subject to the Declaration (the "Property"). The Declaration was recorded in the real property records of Douglas County, Colorado on March 14, 1995, at Reception No. 9511664, Book No. 1251, Page No. 2176.

1.2 Terms Defined in the Declaration. Initially capitalized terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition as in the Declaration.

1.3 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Act, the CCIOA, the Declaration and the Articles of Incorporation ("Articles") of the Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time. In case of conflict between these Bylaws and the Declaration or Articles, the Declaration or Articles shall control.

**ARTICLE 2  
OFFICES**

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association, provided that the principal office of the Association shall be located within Douglas County, Colorado.

2.2 Registered Office and Agent. The 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 the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

**ARTICLE 3**  
**MEMBERS; VOTING MEMBERS AND VOTING RIGHTS**

3.1 Organization. The Association is a nonprofit Colorado corporation created for the purposes, charged with the duties, and invested with the powers prescribed by law, the Act, and set forth in its Articles and Bylaws or in the Declaration. Neither the Articles, Bylaws nor any Rules promulgated by the Board shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with the Declaration.

3.2 Membership and Voting.

(a) Generally. Every Person who is an Owner (including Declarant) shall be a Member of the Association and shall remain a Member for so long as that Person continues to be an Owner; except that when the Association owns any Lot, the Association shall not be a Member. The Association shall have only one class of Members. Each Member shall be entitled to one vote for each Lot owned by such Member; except that the Association shall not be entitled to a vote for any Lot owned by the Association. Each Membership in the Association shall be appurtenant to and may not be separated from ownership of the Lot to which the Membership is attributable. Except as expressly provided in this Article 3, no other voting rights are created by this Declaration. No change in the Membership of a Person shall be effective for voting purposes until the Board receives written notice of the change together with satisfactory evidence of the change.

(b) Multiple Owners. When an Owner consists of more than one Person, while each such Person shall be a Member of the Association, only one of such co-Owners shall be entitled to exercise the single vote to which the Lot is entitled. Such co-Owners must designate one co-Owner to exercise the single vote in a written instrument delivered to the Secretary of the Association not later than five (5) days prior to a meeting of the Association. Such written instrument shall remain in full force and effect until revoked by a written instrument filed with the Association or replaced by a subsequent written instrument filed with the Association replacing the designated co-Owner with another designated co-Owner. If such co-Owners fail to designate a co-Owner, then such co-Owners shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to the timely receipt of the written instrument by the Board. Only the designated co-Owner may cast a vote or issue a proxy on behalf of such co-Owners and the vote cast by the designated co-Owner shall bind all co-Owners. Fractional votes shall not be allowed.

(c) Designated Representative. In all cases in which a Member is not a natural person, such Member shall designate one natural person as the designated representative of such Member in a written instrument delivered to the Secretary of the Association not later than five (5) days prior to a meeting of the Association. Such written instrument shall remain in full force and effect until revoked by written instrument filed with the Association or replaced by a subsequent written instrument filed with the Association replacing the designated representative with another designated representative. If such Member fails to designate a representative, then such Member shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to the timely receipt of the written instrument by the Board.

Only the designated representative may cast a vote or issue a proxy on behalf of such Member and the vote cast by the designated representative shall bind the Member.

(d) Proxies. The vote allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner, designated co-Owner, or designated representative and delivered to the Secretary of the Association not later than five (5) days prior to a meeting of the Association. An Owner, designated co-Owner or designated representative may not revoke a proxy given pursuant to this Section 3.2(d) except by actual notice of revocation to the Secretary of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date, unless it provides otherwise, and no proxy shall be valid in any event for more than three years after its execution. A proxy shall automatically cease upon a change in the Membership of a Person on the books of the Association.

(e) Association Owned Lots. No votes allocated to a Lot owned by the Association may be cast.

3.3 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended; provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of the Declarant to vote or relating to the manner of exercise by the Declarant of its voting rights. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting.

3.4 Suspension of Voting Rights. The Board of Directors may suspend, after notice and hearing and in accordance with the provisions of Article 10, the voting rights of any Member during and following any breach by such Member of any provision of the Restrictions.

3.5 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith.

#### ARTICLE 4 MEETINGS OF MEMBERS

4.1 Place of Members' Meetings. Meetings of the Members shall be held at the principal office of the Association or at such other place, within or convenient to the Property, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held in July of each year beginning in July of 1995 on such day in July and at such time of day as is fixed by the Board and specified in the notice of meeting. The annual meetings shall be held to transact such business as may properly come before the Board.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board of Directors of the Association or by the Members holding not less than 25% of the total votes of all Members, excluding votes of the Declarant, or by Members holding not less than 25% of the total votes of all Members, including votes of the Declarant. No business shall be transacted at a special meeting of the Voting Members except as indicated in the notice thereof.

4.4 Record Date. To determine the Members entitled to notice of, or to vote at, any meeting of the Members or for any other proper purpose, the Board of Directors may fix, in advance, a date as the record date for any such determination of the Members. The record date shall be not more than fifty (50) days prior to the meeting of the Members or the event requiring a determination of the Members.

4.5 Notice of Members' Meetings. The President or the Secretary of the Association or the officers or persons calling the meeting shall deliver written notice stating the place, day and hour of any meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, to each Member entitled to vote at such meeting. The notice of an annual meeting shall identify any matter which it is known may come before the meeting. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered three (3) days after being deposited in the United States mail, postage prepaid, addressed to the Member at the address for such Member appearing in the records of the Association. Such notice may be posted in a conspicuous place in the Property, and such notice shall be deemed to be delivered to any Member upon such posting if such Member has not furnished to the Association an address for mailing of notices.

4.6 Proxies. Any form of proxy furnished or solicited by the Association shall afford an opportunity thereon for the Members to specify a choice between approval and disapproval of each matter or group of related matters which is known, at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Members' Meeting. Except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of the Members entitled to cast at least 10% of the votes of all Members shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of

Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of the Members, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Members entitled to cast at least 5% of the votes of all Members, shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum is present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

4.9 Vote Required at Members' Meeting. At any meeting, if a quorum is present, a majority (i.e., more than 50%) of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Bylaws.

4.10 Order of Business. In order of business at any meeting of the Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; and (d) the conducting of the business for which the meeting was called.

4.11 Officers of Meetings. At any meeting, the President of the Association shall act as chairman and the Secretary shall record the proceedings of the meeting.

4.12 Expenses of Meetings. The Association shall bear the expenses of all annual meetings of the Members and of special meetings of the Members.

4.13 Waiver of Notice. A waiver of notice of any meeting of the Members, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, 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.

4.14 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter of such action.

**ARTICLE 5**  
**BOARD OF DIRECTORS**

5.1 General Powers and Duties of Board. The Board of Directors (sometimes referred to as the "Board") shall have the duty to manage and supervise the affairs of the Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights, responsibilities and authority of the Association not reserved to the Owners in the Declaration, the Articles of Incorporation, these Bylaws, the Act, or the CCIOA. Further, the Board may delegate any portion of its authority to an executive committee or an officer, executive manager or director for the Association.

5.2 Special Powers and Duties of Board. Without limiting the foregoing statement of general powers and duties of the Board or the powers and duties of the Board as set forth in the Declaration, the Board of Directors of the Association shall be vested with and responsible for the specific powers and duties set forth in Section 5.9 of the Declaration.

5.3 Qualifications of Directors. A Director appointed by the Declarant in accordance with the provisions of Section 5.5 of these Bylaws may be any natural person and need not be an Owner of a Lot. A Director elected or appointed after the Period of Declarant Control shall be a natural person who is an Owner of a Lot or a natural person who is one of several persons constituting an Owner of a Lot. A Director may be reelected and there shall be no limit on the number of terms a Director may serve.

5.4 Number of Directors. The number of Directors of the Association shall be at least three (3), and no decrease in number shall have the effect of shortening the term of any incumbent director.

5.5 Appointment, Election and Term of Office. Notwithstanding any other provision contained herein:

(a) During the Period of Declarant Control, all Directors shall be appointees of the Declarant. All Directors appointed by the Declarant shall be subject to removal at any time and from time to time, by the Declarant, in its sole and absolute discretion.

(b) Not later than 60 days after conveyance of 25% of the Lots that may be created to Owners other than Declarant, at least one member and not less than 25% of the members of the Board must be elected by other than the Declarant. Not later than 60 days after conveyance of 50% of the Lots that may be created to Owners other than Declarant, not less than 33.3% of the members of the Board must be elected by Owners other than Declarant.

(c) Except as otherwise provided in C.R.S. § 38-33.3-220(5), not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of at least three members, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The

Board shall elect the officers. The Board members and officers shall take office upon termination of the Period of Declarant Control.

(d) The Directors elected pursuant to subsection 5.5(c) shall each serve a term of three years, except the members of the initial Board so elected, of which one-third will serve for one year, one-third for two years and one-third for three years. If at any time the number of members of the Board is increased or decreased, the terms of the members elected to fill the vacancies thereby created shall be adjusted so as to achieve properly staggered terms thereafter. If the number of members of the Board is not divisible by three, the closest staggering possible based on three-year terms shall be used (e.g. 5 members — 2, 2, 1).

#### 5.6 Nomination and Election of Directors.

(a) **Nomination.** Nomination for election of a Director pursuant to Sections 5.5(b) and 5.5(c) shall be made by a nominating committee. Nominations may also be received from the floor at the annual meeting. The nominating committee shall consist of a chairman, who shall be a member of the Board, and four more Members of the Association. The nominating committee shall be appointed by the Board prior to the 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 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 Members or non-Members.

(b) **Election.** Election to the Board shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provision of the Declaration. The persons receiving the largest number of votes shall be elected.

5.7 Removal of Directors. Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant. A successor may be then and there elected to fill the vacancy.

5.8 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.9 Vacancies in Directors. Any vacancy occurring in the Board shall, unless filled in accordance with Sections 5.5 and 5.7 or by election at a meeting of the Owners, 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 or appointed to fill a vacancy shall be elected or

appointed for the unexpired term of his or her predecessor in office. A Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Owners.

5.10 Executive Committee. The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint an executive committee, which shall consist of three or more Directors and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board, except authority with respect to the matters specified in the Act as matters which such committee may not have and exercise the authority of the Board.

5.11 Other Committees of Association. The Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Owners who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee except such authority as can only be exercised by the Board. The Board in its sole discretion may, by majority vote, create the Architectural Review Committee, but only after release of the Property from that certain Declaration of Covenants, Conditions and Restrictions for Roxborough Village recorded in the records of Douglas County, Colorado at Reception No. 362580, Book No. 596, Page No. 302.

5.12 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon it or him or her by law. The provisions of these Bylaws with respect to notice of meetings, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of the Board shall be applicable to meetings of committees of the Board.

5.13 Manager or Managing Agent. The Board, by resolution accepted by a majority of the Directors in office, may designate and appoint a manager or a managing agent, or both, which manager or managing agent shall have and exercise those powers and shall fulfill those duties of the Board as shall be specified in any such resolution. Such manager or managing agent may be an affiliate of the Declarant. Any such resolution may delegate all or substantially all of the powers and duties of the Board to any such manager or managing agent but the Board, in delegating powers and duties to any such manager or managing agent, shall not be relieved of its responsibilities under the Declaration. Any such resolution shall provide that the Manager or Managing Agent: (1) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the Board may require; (2) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager or Managing Agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and (3) ensure that the Manager or Managing Agent, a public accountant, or a certified public accountant prepare for, and present to, the Association an annual accounting for Association funds and a financial statement.

5.14 Declarant's Duty to Transfer Property. Within 60 days after the Owners other than the Declarant elect a majority of the owners of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant including, without limitation, the following items:

- (a) The original or a certified copy of the recorded Declaration as amended, the Articles, Bylaws, minute books, other books and records, and any Rules which may have been promulgated;
- (b) An accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for, or charged to, the Association.
- (c) The Association funds or control thereof;
- (d) All of Declarant's tangible personal property that has been represented by Declarant to be the property of the Association or all of Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Area, and inventories of these properties;
- (e) A copy of any specifications and plans used in the construction of the improvements in the Common Area and, if in the Declarant's possession, in the construction of Pierre Shale Mitigation Facilities owned by the Association.
- (f) All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured Persons.
- (g) Copies of any certificates of occupancy that may have been issued with respect to any Improvements located on a portion of the Common Area;
- (h) Any other permits issued by governmental bodies applicable to Association Property and which are currently in force or which were issued within one year prior to the date on which Owners other than Declarant took control of the Association;
- (i) Written warranties of the contractors, subcontractors, suppliers, and manufacturers that are still effective and which relate to Association Property or the Common Area and Improvements thereon or Improvements for which the Association has maintenance and/or repair responsibility;
- (j) A roster of Owners and First Mortgagees and their addresses and telephone numbers, if known, as shown on Declarant's records;
- (k) Employment contracts in which the Association is a contracting party; and

(l) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the Persons performing the services.

## ARTICLE 6 MEETINGS OF DIRECTORS

6.1 Place of Meetings of the Board of Directors Meetings. Meetings of the Board of Directors shall be held at the principal office of the Association or at such other place, within or convenient to the Property, as may be fixed by the Board and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Board shall be held on the same date as, or within ten (10) days following, the annual meeting of the Owners. The business to be conducted at the annual meeting of the Board shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of the Owners at which the Board is elected or if the time and place of the annual meeting of the Board of Directors is announced at such annual meeting of the Owners, otherwise, notice must be given as provided in Section 6.5.

6.3 Other Regular Meetings of Directors. The Board of Directors shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by such resolution, otherwise, such regular meeting shall require notice as provided in Section 6.5.

6.4 Special Meetings of Directors. Special meetings of the Board may be called by the President or any two Directors. Such special meetings shall require notice as provided in Section 6.5.

6.5 Notice of Directors' Meetings. In the case of all Board meetings for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than three (3) nor more than fifty (50) days before the date of the meeting, by mail, telegraph, telephone or personally, by or at the direction of the persons calling the meeting, to each Director. If mailed, such notice shall be deemed to be delivered three (3) days after it is deposited in the mail addressed to the Director at his home or business address as either appears in the records of the Association, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered at 5:00 p.m. on the next calendar day after it is deposited in a telegraph office addressed to the Director at either such address, with all charges thereon prepaid. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director or to any person answering the phone who sounds competent and mature at his or her home or business phone number as either appears on the records of the Association. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his

or her home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of such meeting.

6.6 Proxies. A Director shall not be entitled to vote by proxy at any meeting of the Board.

6.7 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business.

6.8 Adjournment of Director's Meetings. Directors present at any meeting of the Board may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

6.9 Vote Required at Directors' Meeting. At any meeting of the Board, if a quorum is present, a majority of the votes present in person and entitled to be cast concerning a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles or these Bylaws.

6.10 Order of Business. The order of business at all meetings of the Board shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.11 Officers at Meetings. The President shall act as chairman and the Board shall elect a Director to act as secretary at all meetings of the Board.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Board, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting, except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or conveyed.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors.