

**FIRST AMENDED BYLAWS
OF
PEPPER TREE HOMEOWNERS ASSOCIATION, INC.**

The following are adopted as the First Amended Bylaws of Pepper Tree Homeowners Association, Inc. They supercede and replace all previous Bylaws of the Association.

**ARTICLE I
NAME**

The name of the Colorado non-profit corporation to which these Bylaws shall apply and control is Pepper Tree Homeowners Association, Inc. ("Association"). The property to which these Bylaws apply is all of the property in Pepper Tree Subdivision, all as shown on the subdivision plat.

**ARTICLE II
OBJECT**

The purpose for which this non-profit Association is formed is to govern the residences, common areas and other areas within the authority of the Association situated in the County of Mesa, State of Colorado, pursuant to the provisions of the Colorado Common Interest Ownership Act ("CCIOA") of the State of Colorado, and located within Pepper Tree Subdivision ("Subdivision").

All present or future owners, tenants, future tenants or any other person that might use in any manner the facilities of the properties within the subdivision are subject to the regulations set forth in these Bylaws. The acquisition, rental, occupancy or use of any of the Lots and appurtenances thereto shall automatically signify the acceptance and ratification of these Bylaws.

**ARTICLE III
MEMBERSHIP**

I. Membership. Any person, including any entity, upon becoming an owner of a Lot ("Lot Owner"), shall automatically become a member of this Association and shall be subject to the governing documents of the Association. Such membership shall terminate without any formal corporate or individual action whenever such entity or person ceases to own a Lot, but such termination shall not relieve nor release any former Lot Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Directors of the Association ("Board) or others may have against such former Lot Owner and member arising out of, or in any way connected with, ownership and membership and the covenants and obligations incident thereto.

2. Voting. Each Lot within the subdivision shall be entitled to one vote, and the vote for such Lot shall be exercised by the Lot Owner or Lot Owners as they determine. If only one of the multiple Owner of a Lot present at a meeting of the Association, such Lot Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Lot Owners are present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Lot Owners. There is majority agreement if any one of the multiple Lot Owners casts the vote allocated to that Lot without a protest being made promptly to the person presiding over the meeting by any of the other Owner of the Lot. If there is no majority agreement among the Owners of a Lot, there shall be no vote for such Lot. Cumulative voting is prohibited.

Only members in good standing shall be entitled to vote. A member shall be deemed to be in good standing so long as no assessments, fines, or penalties made or levied against such member and the Lot owned by such member are unpaid for more than sixty (60) days, and no determination under the Association's policy regarding enforcement of covenants has been made that such member is in violation of the rules covenants or other governing documents of the Association and such violation has not been cured within sixty (60) days of such determination. Only the votes of members in good standing shall be counted towards any quorum or other similar requirements.

Voting for contested positions on the Board shall be by secret ballot. At the discretion of the Board or upon the request of the Owners of at least twenty percent of the Lots of Lot Owners who are present in person or by proxy, if a quorum has been achieved, a vote on any matter affecting the Association shall be by secret ballot. Ballots shall be counted by a neutral party or by a committee of volunteers who are Lot Owners selected or appointed by the Board at an open meeting, in a fair and impartial manner, by the chair of the Board or another person presiding during that portion of the meeting. If no Lot Owners are available, non-owners may serve as volunteers. Volunteers shall not be candidates for a contested position. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses or other identifying information of Lot Owners participating in such vote.

A vote allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner of that Lot. A proxy shall not be valid if obtained by fraud or misrepresentation. If a Lot is owned by more than one person, any Owner of the Lot may vote on a matter or register a protest to the casting of a vote by any other Owner of the Lot through a duly executed proxy. A Lot Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if not dated or purported to be revocable without notice. A proxy may be limited in scope or duration, but terminates eleven months after its date, unless it provides otherwise.

The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the Secretary or other officer or agent

authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on such document, or about the signatory's authority to sign for the Lot Owner. The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of this section and Colorado law (C.R.S. § 38-33.3-310) or any other applicable law are not liable in damages for the consequences of the acceptance or rejection. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation is valid unless a court of competent jurisdiction determines otherwise.

3. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called or noticed, shall be as valid as though had at meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the Minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the Minutes of the Meeting.

4. Majority of Lots. As used in these Bylaws, the term "majority of Lots" or "the Owners of a majority of the Lots" shall mean a vote of the Owners of more than 50% of the Lots within the Association entitled to vote on any matter.

5. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy at the beginning of the meeting of the Owners of one-tenth (1/10) of the Lots within the subdivision, shall constitute a quorum. If a quorum is present, an affirmative vote of the Owners of a majority of the Lots present, either in person or by proxy, shall be effective and valid as a vote of the members required to transact Association business, except as otherwise required by law.

6. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing and filed with an officer of the Association before the appointed time of any meeting in which a vote is taken.

ARTICLE IV ADMINISTRATION

1. Board of Directors. The responsibility of administering the business of the Association shall be through a Board of Directors.

2. Place of Meeting; Open Meetings. Meetings of the Association shall be held at such place and time within the State of Colorado as the Board of the Association may determine. All meetings of the Association shall be open to every Lot Owner or to any person designated by a Lot Owner in writing as the Lot Owner's representative.

3. Annual Meetings. Annual meetings of the Association shall generally be held during the month of January or at such other time(s) as determined by the Board. At such meeting, there shall be elected by ballot of the membership of the Association, a Board of Directors as hereinafter provided. The membership may transact such other business of the Association as may properly come before it.

4. Special Meetings. It shall be the duty of the President or any other officer of the Board to call a special meeting of the Lot Owners as directed by resolution of the Board or upon a petition signed by the Owners of at least twenty percent (20%) of the Lots and having been presented to the Secretary or other authorized officer. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of the Owners of a majority of the Lots present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to provide a notice of each annual or special meeting to each Lot Owner of record at least ten (10) days, but not more than thirty (30) days, prior to such meeting. Notice may be made by regular mail to the mailing address of each Lot or other address designated by the Lot Owner; hand delivery; or electronic mail, if available to the Association, to those Lot Owners who so request such notice and who have provided the Association with his/her electronic address in writing. Notices of meetings of Association members shall also be posted in a conspicuous place to the extent that such notice is practicable and feasible. The notice shall state the time and place of the meeting and the items of the agenda, including the general nature of any proposed amendment to the Declaration of Covenants, Restrictions and Conditions of the Pepper Tree Homeowners Association. ("Declaration") or its Bylaws, any budget changes and any proposal to remove an officer or member of the Board. Notice shall be deemed made when mailed or emailed or posted if no address of an Owner has been given. Only Owners of record on the notice date shall be entitled to notice.

6. Adjourned Meeting. If any meeting of the members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting to another time. After proper notice as provided for under paragraph 3 (serving personal notice by direct contact or by mail upon all members), the subsequent meeting shall be conducted and business concluded without regard to the requirements of a quorum as set forth herein.

7. Order of Business. The order of business of all meetings of the members of the Association shall generally be as follows:

- (a) Roll call
- (b) Proof of Notice of Meeting or Waiver of Notice
- (c) Reading of Minutes
- (d) Reports of Officers

- (e) Reports of Committees
- (f) Election of Directors
- (g) Unfinished business
- (h) New business

Notwithstanding the foregoing, the failure to discuss an item of business or follow the order of business as stated above shall not otherwise invalidate a meeting.

8. Action of Members Without a Meeting. Any action required to be taken, or any action 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 the Owners of a majority of the Lots entitled to vote with respect to the subject matter thereof. Actions taken under this section shall be effective if sufficient signatures are received by the Association within 60 days after the date the earliest dated writing describing and consenting to such action is received by the Association, or such time as allowed under Colorado law.

ARTICLE V BOARD OF DIRECTORS

1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of at least three (3) and not more than seven (7) persons. Directors must be members of the Association. Notwithstanding the foregoing, if there are not enough members to fill the entire Board, the Board shall consist of the number of members who are willing to serve as Directors. For purposes of this section, if a Lot is owned by an entity, such entity may designate a representative to represent it, and such person may serve as a Director and officer of the Association.

2. Powers and Duties. The Board shall have all of the powers and duties of a Board of Directors necessary for the administration of the affairs and operation of the Association under Colorado law. The Board may do all acts and things as are not prohibited by law or by these Bylaws or by the Declaration incident hereto, or otherwise directed to be done by the Lot Owners.

3. Specific Powers and Duties. In addition to the foregoing powers and duties, the Board shall have the specific duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Certificate of Incorporation and Bylaws of the Association, together with the policies and other rules or regulations of the Association.

(b) To appoint such committees as it deems appropriate or necessary in carrying out the powers and duties under the Declaration or other governing documents of the

Association, provided that when so delegated, the Board shall not be relieved of its responsibilities pursuant to the Declaration or under Colorado law.

(c) To establish, make and enforce reasonable compliance with such rules as may be necessary for the safe operation, use and occupancy of the residential project with the right to amendments as may be necessary from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof by the Board.

(d) To incur such costs and expenses as may be necessary to keep in good order, condition, and repair all of the general and common elements, recreational facilities, and all items of personal property, if any, used in the enjoyment of the entire project.

(e) To insure and keep insured all of the insurable general common elements of the property and recreational facilities, if any, together with the individually owned building improvements contained in the project in an amount equal to their maximum replacement value, as is provided in the Declaration incident hereto. Further, to obtain and maintain comprehensive liability insurance covering the general common elements and recreational facilities in amounts not less than is reasonably necessary to adequately protect the Association and the individual members, and to insure and keep insured all fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the Lot Owners and their mortgagees.

(f) To determine, fix, levy and collect the monthly prorated assessments to be paid by each of the Lot Owners towards the gross expenses of the general common elements and recreational facilities, if any, and by majority vote of the Board to adjust, decrease or increase the amount of monthly assessments and to remit or return any excess of assessments over expenses and cash reserves to the Lot Owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs or additional capital expenses, or because of emergencies. All monthly or other assessments shall be in statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(g) To collect delinquent assessments by suit or otherwise, and to enjoin or seek damages from a Lot Owner as is provided in the Declaration and as contained in these Bylaws. To enforce rules, regulations or policies (the "governing documents") and take all necessary actions relating thereto.

(h) To protect and defend the entire residential project from loss and damage by suit or otherwise.

(i) To borrow funds in order to pay for any expenditures or outlays required pursuant

to the authority granted herein and to execute all such instruments evidencing such indebtedness as the Board may deem necessary and give security therefor.

- (j) To enter into contracts within the scope of their duties and powers.
- (k) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board.
- (l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time following reasonable notice by each of the Lot Owners, and to cause a complete audit of the books and accounts by a competent accountant once each year if a majority of members desires the same.
- (m) To prepare and deliver at the close of each fiscal year a statement showing all receipts, disbursements and other economic activity since the previous year to each Lot Owner.
- (n) To meet as necessary during the year and to hire and oversee any personnel necessary for the maintenance and operation of the general and limited common elements, if any.
- (o) To do all of those things necessary and reasonable in order to carry out the administration and operation of the Association.
- (p) The Board may employ a managing agent for the Association at a compensation established by the Board, to perform such duties and services as the Board shall authorize. The Board may delegate any of its powers to a managing agent as allowed under law. However, if the Board delegates powers relating to collection, deposit, transfer or disbursement of Association funds to a managing agent, the managing agent must: (i) maintain fidelity insurance coverage or a bond in a minimum amount required by law or such other amount as the Board requires; (ii) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and (iii) prepare and present an annual accounting for Association funds and a financial statement to the Association, or have such accounting and financial statement prepared and presented by a public accountant or certified public accountant. //Any such agreement must be in writing and must provide for termination by the Association for cause upon written notice without a payment of a termination fee pursuant to Colorado law and without cause upon written notice. Any such contract shall be subject to renegotiation as required under Colorado law.

(q) The Board may delegate any of its powers to a third person other than a managing agent on a permanent or temporary basis as the Board authorizes, subject to the limitations under the Declaration, subsection (p) and any other section of these Bylaws and under Colorado law.

4. Election and Term of Office. The terms of the initial Board of Directors shall be staggered, such that one director shall serve for one (1) year; one director shall serve for two (2) years; and one director shall serve for three (3) years. Thereafter, one Board member shall be elected annually, and the term of office for such Board member shall be three (3) years. The Directors shall hold office until their successors have been elected. If the election of more than one Director is required, the nominee receiving the highest number of votes shall serve a three (3) year term; the nominee receiving the next highest number of votes shall serve the next longest term, and so on. If there is a tie vote the Directors shall decide the length of term of such Directors.

5. Vacancies. Any Director may resign at any time by giving written notice to the Board or officer. The resignation shall take effect upon receipt thereof or at any later time specified therein, and unless specified in such notice, acceptance by the Board shall not be necessary to make it effective. Any resignation as a Board member shall also constitute a resignation as an officer. Vacancies in the Board for the remainder of a term caused by any reason other than the removal of a director by a vote of the Members shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. If the Directors cannot agree on any appointment to fill a vacancy, then the remaining Directors may choose not to fill such vacancy provided at least half of the Directors are remaining. Otherwise, a Special Meeting of the Members shall be held to elect a Director to fill the vacancy.

6. Removal of Directors. At any regular or special meeting duly called, any one or more directors may be removed with or without cause by a vote of the Owners of a majority of Lots entitled to vote and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

7. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least one such meeting shall be held during the year. Notice of the regular meetings of the Board shall be given to each Lot Owner personally, by mail, or by electronic means if available to the Association to all Lot Owners who so request and who furnish the Association with their electronic mail address, at least three days prior to the day named for such meeting.

8. Special Meetings. Special meetings of the Board may be called by the President or any other authorized officer or Board member, or by a vote of twenty percent (20%) of the Lot Owners, after giving three (3) days' notice to each Board member. Notwithstanding the

foregoing, a written waiver of notice of such meeting may be given by a Board member, either before or after the time for such meeting, which shall be equivalent to giving such notice. Attendance by a Board member shall constitute a waiver of notice of such meeting except when a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

9. Meeting By Electronic Means. Members of the Board may attend and participate at a meeting of the Board by means of a conference telephone, videolink or other similar communication device if all persons participating the meeting can hear and speak to each other at the same time. Participation by these means constitutes presence in person at a meeting.

10. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the directors, may be taken without a meeting, in compliance with the provisions of the Colorado Nonprofit Corporation Act, C.R.S. § 7-128-202, as amended, if a majority of the Directors consents thereto, in writing.

11. Notices of Board Meetings. The Secretary shall provide a notice of each regular or special meeting to each Lot Owner of record. Notices of regular meetings shall be given at least ten (10) days but not more than thirty (30) days prior to such meeting. Notices of special meetings shall be given as soon as practicable before any special meeting, (generally at least three (3) days before a meeting) but in no event shall electronic notices be given less than twenty four hours before a special meeting. Notices may be made by regular mail to the mailing address of each Lot or other address designated by the Lot Owner, hand delivery, or electronic mail, if available to the Association, to those Lot Owners who so request such notice and who have provided the Association with his/her electronic address. In addition to the foregoing notices, the Association may post a notice of a Board meeting on an Association web page.

12. Conduct of Board Meetings. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Lot Owners or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

The members of the Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only the following:

- (a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotions, discipline, or dismissal of an officer, agent or employee of the association;

- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Prior to the time the members of the Board or any committee thereof convene in executive sessions, the chair of the body shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) of subsection (4) of this section.

No rule or regulation of the Board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

13. Board of Directors Quorum. At all meetings of the Board, a quorum is deemed present throughout the meeting if persons entitled to cast fifty percent (50%) of the votes of the Board are present at the beginning of the meeting or grant their proxy as provided for under C.R.S. § 7-128-205(4). If at any meeting of the Board there be less than a quorum present, the Board members present shall adjourn the meeting and reschedule it.

14. Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

15. Compensation. No Board member shall receive compensation in any form for serving as a Director. However, any Board member may be reimbursed for actual Association expenses advanced by a Board member.

16. No Waiver of Rights. The omission or failure of the Association to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, Certificate of Incorporation, these Bylaws and/or the policies, rules or regulations of the Association shall not constitute or be deemed a waiver, modification or release thereof and the Board shall have the right to enforce the same at any time thereafter.

ARTICLE VI OFFICERS

1. Designation. The officers of the Association shall include a President, a Secretary, a Treasurer, and any other officers deemed necessary by the Board, all of which officers shall be elected by and from the Board. Any offices may be combined except for the offices of President and Treasurer unless there is only one director.

2. Election of Officers. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board and shall hold office at the pleasure of the Board.

3. Vacancies. If a Director position is vacated under Article V, Section 5, the person elected to the Board as Directors shall also serve as the officer position also being vacated, except for the position of President. Under such circumstances, the Vice President (if any) shall become the President, or if there is no Vice President the Secretary shall become the President and the new Director shall serve as Vice President or Secretary, as applicable.

4. Removal of Officers. If any Director is removed under Article V, Section 6, the successor Director shall also be elected to fill the officer position occupied by the removed Director, except that if the removed Director is the President, the Vice President (or Secretary, if none) shall become President and the successor Director shall become Vice President.

5. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association,

6. Vice-President. The Vice-President (if one) shall have all the powers and authority to perform all the functions and duties of the President, in the absence of the President or his/her inability for any reason to exercise such powers and functions or perform such duties. If there is more than one Vice President, the Board may designate the order of succession upon a vacancy of the office of the President.

7. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and of the Association and shall be responsible for all duties incident to that of Secretary. The Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association. The Secretary shall act as President if there is no President or Vice President.

8. Treasurer. The Treasurer shall have charge of all books and papers as the Board may direct, including the keeping of full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for all duties incident to that of Treasurer and shall deposit all monies and other valuable effects of the Association in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board. Withdrawals of such deposits may be made only by checks signed by the Treasurer or any one other officer. However, the Board may designate other persons to be signatories on any checking account for the Association.

9. Additional Duties: Notwithstanding the allocation of duties of each officer described above, the Board may modify, change, add or remove duties of any officer from time to time, in its sole discretion.

ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS

1. Indemnification. Pursuant to C.R.S. §§ 7-129-101, *et. seq.* the Association shall indemnify its Directors, officers and all employees and agents against all loss, costs and expenses, including attorneys fees, reasonably incurred by him/her in connection with any action, suit or proceeding to which he may be made a party by reason of his/her service to the Association, to the fullest extent, subject to the qualifications and requirements of Articles 128 Part 4, and 129 of Title 7, C.R.S. including the advancement of expenses. Any indemnification permitted hereunder, including the advancement of expenses, shall be made upon the determination that such Board member, officer, employee or agent has met the applicable standard of conduct set forth in C.R.S. § 7-129-102. Such determination shall be made, including the advancement of expenses, in accordance with C.R.S. § 7-129-106. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of the foregoing indemnification provision shall be treated and handled by the Association as a common expense; provided, however, that nothing in this section shall be deemed to obligate the Association to indemnify any Director or officer with respect to any duties or obligations assumed or liabilities incurred by him/her beyond the scope of his/her authority within the Association.

2. Contractual Obligations. Any contracts or other legal commitments made by the Board, or any of its officers or others authorized to act on behalf of the Association shall be made as agent for the Association, and such individual shall have no personal responsibility on any such contract or legal obligation.

ARTICLE VIII CONTRACTS, CONVEYANCES AND OTHER INSTRUMENTS

1. Contracts. The Board may authorize any officer of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as

otherwise specifically required by Colorado law, the Declaration of Covenants, Conditions and Restrictions, the Certificate of Incorporation and Bylaws of the Association.

2. Conveyances and Encumbrances. Association property may be conveyed or encumbered by authority of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board of Directors. Conveyances or encumbrances shall be by instrument, executed by the President, or Vice-President and by the Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

3. Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31. The Board may change the fiscal year if it deems that such change is appropriate.

4. Seal. The Board may adopt a seal for the corporation of such design as it may deem appropriate.

ARTICLE IX MORTGAGES

1. Notice to Association. A Lot Owner who mortgages or otherwise encumbers his/her Lot shall notify the Association through a member of the Board, giving the name and address of his/her mortgagee. Each Lot Owner shall update such information as it changes. The Association shall maintain such information in a book entitled mortgagees of Lots.

2. Notices. The Association shall, at the request of a mortgagee of a Lot, report any unpaid assessments due from the Owner of such Lot.

3. Mortgagees as Proxies. Lot Owners shall have the right to irrevocably constitute and appoint a beneficiary of a Deed of Trust or the mortgagee of a mortgage (i.e the bank, lender or person who holds the mortgage on the Lot) their true and lawful attorney to vote their Lot membership in this Association at any and all meetings of the Association and to vest in such beneficiary or mortgagee or his/her nominee any and all rights, privileges and powers that they have as the Lot Owners under the Certificate of Incorporation, Bylaws of this Association. A release of the beneficiary's Deed of Trust or mortgagee's mortgage shall operate to revoke such proxy. Nothing contained herein shall be construed to relieve Lot Owners as mortgagors or otherwise of their duties and obligations as Lot Owners, or to impose upon the beneficiary of the Deed of Trust or mortgagee the duties and obligations of the Lot Owner.

ARTICLE X EVIDENCE OF OWNERSHIP

Proof of Ownership. Any person, upon becoming an Owner of a Lot, shall furnish to the Board or the officers a photocopy or a certified copy of the recorded instrument vesting that person with such an interest or ownership in such Lot, which instrument shall remain in the files

of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual meeting or special meeting of members unless this requirement is first met.

ARTICLE XI NON-PROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation of the Association and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, any member of the Board, officer or member. Upon termination of the Association, the proceeds of any sale of real estate together with the assets of the Association shall be held by the Association as trustee for the members and holders of liens on the Lots of the members as their interests may appear in accordance with C.R.S. § 38-33.3-218(7).

ARTICLE XII CONFLICT WITH STATE LAW OR DECLARATION

These Bylaws are established to comply with the requirements of the state of Colorado and the Colorado Common Interest Ownership Act (CCIOA). If any of these Bylaws conflict with the provisions of said statutes, or the Declaration or Articles of Incorporation, it is hereby agreed and accepted that such bylaw is severable and of no effect and the provisions of state law, CCIOA, the Declaration and/or Articles shall control.

ARTICLE XIII INTERPRETATION

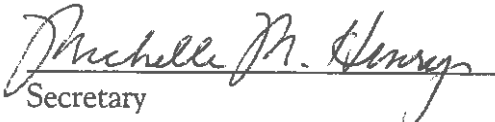
The Declaration, Articles of Incorporation, Bylaws, Rules and Regulations and Policies of the Association shall be read together and as a whole in interpreting the meaning of any term or provision contained therein.

ARTICLE XIV AMENDMENT

These Bylaws may be amended by the Board of Directors, or by the members in accordance with the provisions of C.R.S. § 7-130-201(2) and any other applicable statute.

IN WITNESS WHEREOF, the undersigned does hereby certify that the above and foregoing Bylaws were duly adopted by the members of the Association as the First Amended Bylaws of said Association at a meeting of the members on Feb 28, 2015, and that they do constitute the Bylaws of said Association.

Dated: February 28, 2015.


Secretary

Bob Martin

Signature

Bob Martin

Name (Printed)

Address: 588-#1 W. Indian Creek

Susan Madison

Signature

Susan Madison

Name (Printed)

Address: 594 #3 W. Indian Creek

Patricia M. Berry

Signature

Patricia M. Berry

Name (Printed)

Address: 589 #1 W. Indian Creek.

Cameron Jones

Signature

Cameron Jones

Name (Printed)

Address: 596 #2 W. Indian Creek Dr

Michelle Henry

Signature

Michelle Henry

Name (Printed)

Address: 592-2 W. Indian Creek Dr.

Henry W. Ranspot

Signature

HENRY W. RANSPOT

Name (Printed)

Address: 586 W. INDIAN CREEK #1

Joyce Hager

Signature

JOYCE HAGER

Name (Printed)

Address: 589-4 587-1

Helen Jazdyk

Signature

Helen JAZDYK

Name (Printed)

Address: 589-4

Signature

Name (Printed)

Address:

Signature

Name (Printed)

Address:

The foregoing Owners signed this instrument approving the Amended Bylaws for Pepper Tree Homeowners Association at a meeting of the members held on 2/28/15, 2015.

Michelle M. Henry
Secretary