

BYLAWS OF  
HORIZON PARK EAST HOMEOWNERS' ASSOCIATION, INC.

ARTICLE 1 - INTRODUCTION

These are the Bylaws of Horizon Park East Homeowners' Association, Inc. which shall operate under the Colorado Nonprofit Corporation Act, as amended, and the Colorado Common Interest Ownership Act, as amended ("Act").

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 three persons, and following such date shall consist of (five) persons, the majority of whom, excepting the Directors appointed by the Declarant, shall be Lot Owners. If any Lot is owned by a partnership or corporation, any officer, partner or employee of that Lot Owner shall be eligible to serve as a Director and shall be deemed to be a Lot Owner for the purposes of the preceding sentence. Directors shall be elected by the Lot Owners, except for those appointed by the Declarant. At any meeting at which Directors are to be elected, the Lot 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 Directors not appointed by the Declarant shall expire annually, as established in a resolution of the Lot Owners.

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

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

(e) At any time after Lot Owners, other than the Declarant, are entitled to elect a Director, the Association shall call

a meeting and give not less than 10 nor more than 60 days' notice to the Lot Owners for this purpose. This meeting may be called and the notice given by any Lot 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 following powers and duties:

- (a) Adopt and amend Bylaws and Rules and regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for Common Expenses from Lot Owners;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees, independent contractors and agents other than managing agents;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules in the Association's name, on behalf of the Association or two or more unit Owners on matters affecting the Common Interest Community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- (i) Cause additional improvements to be made as a part of the Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected

to a security interest only pursuant to Section 312 of the Act;

(k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Elements;

(l) Impose and receive a payment, fee or charge for services provided to Lot Owners and for the use, rental or operation of the Common Elements, other than Limited Common Elements described in Subsections 202(1)(b) and (d) of the Act;

(m) Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, Rules and Regulations of the Association;

(n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

(o) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance;

(p) Exercise any other powers conferred by the Declaration or Bylaws;

(q) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;

(r) Exercise any other power necessary and proper for the governance and operation of the Association; and

(s) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Lot Owner within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular

a majority of the Directors 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 Directors on at least three business days' notice to each Director. 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 the City of Grand Junction, unless all Directors consent in writing to another location.

Section 2.9--Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.10--Quorum of Directors. At all meeting of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall 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 Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. 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. A Director may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the director 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 Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

### ARTICLE 3 - UNIT OWNERS

Section 3.1--Annual Meeting. Annual meetings of Lot Owners shall be held in Grand Junction, Colorado, at such date set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Lot Owners, in accordance with the provisions of Article 2 of the Bylaws. The Lot Owners may transact other business as may properly come before them at these meetings.

Section 3.2--Budget Meeting. Meetings of Lot 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 3.3--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 Lot Owners comprising 20 percent of the votes in the Association.

Section 3.4--Place of Meetings. Meetings of the Lot Owners shall be held at the project or may be adjourned to a suitable place convenient to the Lot Owners, as may be designated by the Executive Board or the president.

Section 3.5--Notice of Meetings. The secretary or other officer specified in the Bylaws shall cause notice of meetings of the Lot Owners to be hand-delivered or sent prepaid by United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner, not less than 10 nor more than 60 days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice.

Section 3.6--Waiver of Notice. Any Lot Owner may, at any time, waive notice of any meeting of the Lot Owners in

writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.7--Adjournment of Meeting. At any meeting of Lot Owners, a Majority of the Lot Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.8--Order of Business. The order of business at all meetings of the Lot 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 Directors of the Executive Board (when required);
- (h) Ratification of budget (if required and noticed);
- (i) Unfinished business; and
- (j) New business.

Section 3.9--Voting.

(a) If only one of several owners of a Lot is present at a meeting of the Association, the owner present is entitled to cast all the Votes allocated to the Lot. If more than one of the owners are present, the Votes allocated to the Lot may be cast only in accordance with the agreement of a majority in interest of the owners. There is majority agreement if any one of the owners casts the Votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by another owner of the Lot.

(b) Votes allocated to a Lot may be cast under a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each owner of the Lot may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. A Lot Owner 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 or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Executive Board of directors or Bylaws of the owning corporation or business trust. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified to vote.

(d) Votes allocated to a Lot owned by the Association may not be cast.

Section 3.10--Quorum. Except as otherwise provided in these Bylaws, the Lot Owners present in person or by proxy at any meeting of Lot Owners, [but no less than 10 percent of the members], shall constitute a quorum at that meeting.

Section 3.11--Majority Vote. The Vote of a majority of the Lot Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes except where a higher percentage Vote is required in the Declaration, these Bylaws or by law.

#### 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 an assistant treasurer, an assistant secretary and other officers as it finds necessary. The president and vice president, but no 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 Directors, 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 Lot 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 Lot 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 Director 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 Lot 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 cause 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 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. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. 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 Directors, one of whom may be the treasurer if the treasurer is also a Director.

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 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 Section 316 of 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 as a Common Expense against the Lot for which the certificate or statement is furnished.

## ARTICLE 5 - ENFORCEMENT

Section 5.1--Abatement and Enjoinment of Violations by Lot Owners. The violation of any of the Rules and regulations 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 Lot or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Common Elements 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--Fine for Violation. By resolution, following notice and hearing, the Executive Board may levy a fine of up to \$25.00 per day for each day that a violation of the Documents or Rules persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Executive Board.

## 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, the provisions of which are incorporated 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 the Manager shall be available for examination and copying by any Lot Owner, any holder of a Security Interest in a Lot 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 shall keep the following records:

(a) An account for each Lot, which shall designate the name and address of each Lot Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

(b) An account for each Lot Owner showing any other fees payable by the Lot Owner;

(c) A record of any capital expenditures in excess of \$3,000.00 approved by the Executive Board for the current and next two succeeding fiscal years;

(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 Section 315(1) of the Act and ratified pursuant to the procedures of Section 303(4) 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 Lot Owners and the Association;

(i) A record of any alterations or improvements to Lots

or Limited Common Elements which violate any provisions of the Declarations 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 Elements;

(l) Balance sheets and other records required by local corporate law;

(m) Tax returns for state and federal income taxation;

(n) Minutes of proceedings of incorporators, Lot Owners, Directors, committees of Directors and waivers of notice; and

(o) A copy of the most current versions of the Declaration, 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 Lot Owners and to all holders of Security Interests in the Units who have notified the Association that they hold a Security Interest in a Lot. Except as otherwise provided, all notices to any Lot Owner shall be sent to the Lot Owner's address as it appears in the records of the Association. All notices to holders of Security Interests in the 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 working capital fund is to be established in the amount of two months' regularly budgeted initial Common Expense assessments, measured as of the date of the first assessment on the first phase, for all Units as they are created in proportion to their respective Allocated Interests in Common Expenses. Any amounts paid into this fund shall not be considered as advance payment of assessments. Each Lot's share of the working capital fund may 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 Common Expense Assessment, with a lien on the Declarant's unsold Units pursuant to the Act. Until termination of Declarant control of the Executive Board, the working capital shall be deposited without interest in a segregated fund. While the Declarant is in control of the Executive Board, the Declarant cannot use any of the working capital funds to defray its expenses, reserve contributions or construction costs or to make up budget deficits.

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 Elements and those Limited Common Elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

#### ARTICLE 9 - AMENDMENTS TO BYLAWS

Section 9.1--The Bylaws may be amended only by vote of

two-thirds of the members of the Executive Board, following notice and comment to all Lot Owners, at any meeting duly called for such purpose.

Section 9.2--No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage covering any Lot or which would change the provisions of the Bylaws with respect to institutional mortgagees of record.

ATTEST: Certified to be the Bylaws adopted by consent of the Directors of Horizon Park East Homeowners' Association, Inc., dated \_\_\_\_\_, 1993.

HORIZON PARK EAST HOMEOWNERS'  
ASSOCIATION, INC.

By: \_\_\_\_\_  
Secretary

FIRST AMENDED BYLAWS OF  
HORIZON PARK EAST HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1.  
OFFICES

Section 1.1 PRINCIPAL OFFICE. The principal office of the corporation in the state of Colorado shall be located at P.O. Box 4725, Grand Junction, CO 81502. The corporation may have such other offices, either within or outside of the state of Colorado as the board of directors may designate, or as the business of the corporation may require from time to time.

Section 1.2 REGISTERED OFFICE. The registered office of the corporation, required by the Colorado Nonprofit Corporation Act to be maintained in the state of Colorado, may be, but need not be, identical with the principal office in the state of Colorado, and the address of the registered office may be changed from time to time by the board of directors.

ARTICLE 2.  
MEMBERS

SECTION 2.1 MEMBERS. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot in Horizon Park East Subdivision in Mesa County, Colorado, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. When more than one person holds an interest in any Lot, the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

SECTION 2.2 ANNUAL MEETING. The annual meeting of the members shall be held on the third Tuesday of January each year, beginning in 2004, or at such time on such day in Grand Junction, Colorado, as shall be established by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state of Colorado, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

SECTION 2.3 SPECIAL MEETINGS. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the board of

directors, and shall be called by the president at the request of 25% of the members.

SECTION 2.4 MEETING OF ALL MEMBERS. If all of the members which are entitled to vote shall meet at any time and place, either within or outside the state of Colorado , and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 2.5 QUORUM. Ten Percent (10%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of members, except as otherwise provided by Colorado law and the articles of incorporation. In the absence of a quorum at any such meeting, a majority of the members present may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of members whose absence would cause there to be less than a quorum.

Section 2.6 MANNER OF ACTING. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater proportion or number or voting by classes is otherwise required by statute or by the articles of incorporation or these bylaws.

It is suggested that all meetings of members be conducted in accordance with the procedural rules set forth in the most recent edition of Roberts' Rules of Order.

Section 2.7 VOTING. Unless otherwise provided by these bylaws or the articles of incorporation, each member entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of members.

Section 2.8 INFORMAL ACTION BY MEMBERS. Any action required or permitted to 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 thereof.

Section 2.9 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any member shall demand that voting be by ballot.

### ARTICLE 3. BOARD OF DIRECTORS

Section 3.1 GENERAL POWERS. The business and affairs of the corporation shall be managed by its board of directors.



Section 3.2 PERFORMANCE OF DUTIES. A director of the corporation shall perform his or her duties as a director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such judgment as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a), (b), and (c) of this Section 3.2; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her duties shall not have any liability by reason of being or having been a director of the corporation. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely upon are:

- a. One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- b. Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or
- c. A committee of the board upon which he or she does not serve, duly designated in accordance with the provision of the articles of incorporation or the bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.3 NUMBER, TENURE AND QUALIFICATION. The number of directors of the corporation shall be three (3) and shall thereafter be as determined by the members of the corporation. Each director shall hold office until his or her successor shall have been appointed and qualified. Directors need not be residents of the state of Colorado; however, the directors must be members of the corporation. For the elections to be held in January, 2004, one director shall be elected to serve a one year term, one director shall be elected to serve a two year term, and one director shall be elected to serve a three year term. Beginning in January, 2005, and every year thereafter, one director shall be elected to serve a three year term.

The president or a vice president shall preside at all meetings of the board of directors.

Section 3.4 REGULAR MEETINGS. The board of directors shall provide, by resolution, the time and place, either within or without the state of Colorado, for the holding of regular meetings without other notice than such resolution.

Section 3.5 SPECIAL MEETINGS. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place, within the state of Colorado, as the place for holding any special meeting of the board of directors called by them.

Section 3.6 NOTICE. Written notice of any special meeting of directors shall be given as follows:

By mail to each director at his or her business address at least three days prior to the meeting; or

By personal delivery or telegram at least twenty-four hours prior to the meeting to the business address or residence address of each director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these bylaws.

Section 3.7 QUORUM. Two-Thirds (2/3) of the number of directors fixed by or pursuant to Section 3.3 of this Article 3 shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 3.8 MANNER OF ACTING. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

All meetings of the board of directors shall be governed by the procedural rules set forth in the most recent edition of Roberts' Rules of Order.

Section 3.9 INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken by the board of directors or by a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the committee members entitled to vote with respect to the subject matter thereof.

Section 3.10 PARTICIPATION BY ELECTRONIC MEANS. Any members of the board of directors or any committee designated by such board may participate in a meeting of the board of directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.11 VACANCIES. Any vacancy occurring in the board of directors may be filled by appointment by the remaining board of directors. A director appointed to fill a vacancy shall serve until his or her successor is appointed for the unexpired term of his or her predecessor in office.

Section 3.12 RESIGNATION. Any director of the corporation may resign at any time by giving written notice to the president or the secretary of the corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.13 REMOVAL. Any director or directors of the corporation may be removed at any time, with or without cause, in the manner provided in the Colorado Nonprofit Corporation Act.

Section 3.14 COMMITTEES. By resolution adopted by a majority of the board of directors, the directors may designate two or more directors to constitute a committee, any of which shall have such authority in the management of the corporation as the board of directors shall designate and as shall be prescribed by the Colorado Nonprofit Corporation Act.

Section 3.15 COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the board of directors a fixed sum and expenses of attendance at each meeting and may be paid for attendance at each meeting of the board of directors; but nothing herein shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

Section 3.16 PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

## ARTICLE 4.

### OFFICERS

Section 4.1 NUMBER. The officers of the corporation shall be president, vice president, secretary and treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 4.2 ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected at a meeting of the board of directors immediately following, or within ten (10) days after the annual meeting of members.

If the elections of officers are not held at such meeting, such elections shall be held as soon thereafter as practicable. Each officer shall hold office until his or her successor shall have been duly

elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3 REMOVAL. Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 4.5 PRESIDENT. The president shall be the chief executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, when present, and in the absence of a chairman of the board, preside at all meetings of the members and of the board of directors. He or she may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 4.6 VICE PRESIDENT. The vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall, in the absence of the president or in the event of his or her death, inability or refusal to act, perform all duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.7 SECRETARY. The secretary shall: (a) keep the minutes of the proceedings of the members and of the board of directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provision of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; and (e) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.8 TREASURER. The treasurer shall: (a) have charge and custody of and be

responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article 5 of these bylaws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.9 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the board of directors.

Section 4.10 BONDS. If the board of directors by resolution shall so require, any officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the board of directors may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

Section 4.11 SALARIES. The officers shall serve without salary.

Section 4.12 LOANS TO OFFICERS. No loans shall be made by the corporation to any officer or director of the corporation.

## ARTICLE 5.

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 5.1 CONTRACTS. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 5.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 5.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 5.4 DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

Section 5.5 GIFTS. The board of directors may accept on behalf of the corporation any

contribution, gift, bequest or devise for the general purposes of or for any special purposes of the corporation.

#### ARTICLE 6.

#### NONDISCRIMINATION

The officers, directors, committee members, employees and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin and sexual orientation.

#### ARTICLE 7.

#### BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the board of directors and committees having any of the authority of the board of directors.

#### ARTICLE 8.

#### FISCAL YEAR

The fiscal year of the corporation shall end on the last day of December in each calendar year.

#### ARTICLE 9.

#### CORPORATE SEAL

The board of directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "CORPORATE SEAL".

#### ARTICLE 10.

#### WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these bylaws or under the provisions of the Articles of Incorporation or under the provisions of the Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or person entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

## ARTICLE 11.

### AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any meeting of the board of directors at which a quorum is present.

## ARTICLE 12.

### EMERGENCY BYLAWS

The emergency bylaws provided in this Article 12 shall be operative during any emergency in the conduct of the business of the corporation resulting from an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in the preceding articles of the bylaws or in the Articles of Incorporation of the corporation or in the Colorado Nonprofit Corporation Act. To the extent not inconsistent with the provisions of this Article, the bylaws provided in the preceding articles shall remain in effect during such emergency and upon its termination the emergency bylaws shall cease to be operative.

During any such emergency:

(a) A meeting of the board of directors may be called by any officer or director of the corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

(b) At any such meeting of the board of directors, a quorum shall consist of the number of directors in attendance at such meeting.

(c) The board of directors, either before or during any such emergency, may, effective in the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the officers so to do.

(d) The board of directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

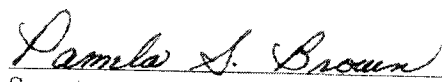
(e) No officer, director or employee acting in accordance with these emergency bylaws shall be liable except for willful misconduct.

(f) These emergency bylaws shall be subject to repeal or change by further action of the board

of directors or by action of the member(s), but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these emergency bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

CERTIFICATE

I hereby certify that the foregoing bylaws, consisting of ten (10) pages , including this page, constitute the bylaws of HORIZON PARK EAST HOMEOWNERS ASSOCIATION, INC., duly adopted by the Executive Board of the corporation following notice and comment to all lot owners pursuant to the original Bylaws, as of October 14, 2003.

  
Secretary