

**BYLAWS
OF
THE GREENS AT DALTON OWNERS ASSOCIATION**

**ARTICLE I
OBJECTIVES AND PURPOSES**

Section 1.1: PURPOSE. The purpose for which this non-profit corporation (hereinafter the "Association"), is formed is to provide for the operation of the development known as The Townhome Area of The Cottonwoods at Dalton Ranch, located in La Plata County, Colorado. Any property which is currently subject to or elects to become subject to the Declarations of Covenants, Conditions and Restrictions of The Greens at Dalton recorded November 29, 2001 as Reception No. 818376 in the public records of La Plata County, Colorado (hereinafter the "Declaration") shall be governed by the Association. The objective of the Association shall be to provide for the operation of the development known as The Townhome Area of The Cottonwoods at Dalton Ranch in accordance with the Declaration and to protect the value and amenities of the property and to provide for the maintenance of the common elements for the benefit of all present and future Owners.

Section 1.2: COMPLIANCE REQUIRED. All present and future Owners of the property described in the Declaration shall be subject to the regulations set forth in these Bylaws. The acquisition, rental or occupancy of any Lot in the property which is subject to the Declaration will signify that these Bylaws are accepted, ratified and will be complied with.

Section 1.3: TERMS. Terms used in these Bylaws are defined in the Declaration or these Bylaws and will have the meanings set forth therein, unless the context requires otherwise.

**ARTICLE II
OFFICES**

Section 2.1: LOCATION. The principal office of the Association shall be located in Colorado. The Association may also maintain offices at such other places within or without the State of Colorado as the Board of Directors may, from time to time, determine.

**ARTICLE III
MEMBERSHIP**

Section 3.1: MEMBERSHIP. Every Lot Owner shall be a Member of the Association, shall remain a Member for the period of ownership of a Lot, and shall be subject to the membership requirements of the Declaration.

Section 3.2: ANNUAL MEETING. The annual meeting of Members shall be held each year on a date established by the Board of Directors at the principal office of the Association or such other location as shall be designated by the Board. If the day so designated falls on a legal holiday, then the meeting shall be held on the first regular business day thereafter.

Section 3.3: SPECIAL MEETINGS. Special meetings of the Members, other than those regulated by statute, may be called at any time by the President or a majority of the Board. Such meetings may be held at such times or places as may be determined by a majority of the Board. The notice for a special meeting shall state the purpose or purposes for which it is called. Any meeting at which all Members shall be present shall not require the giving of such notice. Further, all such notices may be dispensed with as to any Member not present who has waived notice in writing. The Board shall call a special meeting of Members, in like manner, whenever requested to do so in writing by a Member or Members constituting not less than ten percent of the outstanding membership of the Association. No business other than that specified in the Notice of the special meeting shall be transacted at any special meeting of the Members.

Section 3.4: NOTICE OF MEETINGS. Written notice stating the place, day and hour of any meeting of members and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally, or by mail, by or at the direction of the president, or the Secretary, or the officer or other persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail addressed to the member at his address as it appears in the records of the Association, with postage thereon prepaid.

Section 3.5: QUORUM. The presence in person or by proxy of a majority of the Members entitled to vote shall be necessary for a quorum for the transaction of business, but a lesser number may adjourn for a period not to exceed sixty (60) days at any one adjournment, and the Secretary shall thereupon give at least ten days notice in writing to each member entitled to vote who was not present either in person or by proxy at such meeting.

Section 3.6: VOTING. The Owners of each Lot subject to the Declaration shall have one (1) vote. When more than one person holds an interest in a Lot, they may appoint one of the co-owners or a delegate as proxy to cast a vote for the Lot. The vote for such Lot shall be cast as the Owners thereof agree, but the voting interest allocated to such Lot shall not be divided among co-owners.

Section 3.7: MANNER OF VOTING. A member shall be entitled to vote in person or by written proxy. A proxy shall be valid for eleven (11) months from the date of its execution unless otherwise provided in the proxy. Members shall also be permitted to vote by mail. At mail elections a majority vote of the members entitled to cast ballots shall be required for election. Any other matter requiring a vote of the membership is also authorized by mail and a majority vote of the Members entitled to cast ballots is required except amendment of the Articles of Incorporation or a proposed plan of merger, consolidation or dissolution shall require an affirmative vote of at least $\frac{2}{3}$ of the Members entitled to vote.

Section 3.8: ACTION BY MEMBERS WITHOUT A MEETING. Any action required or permitted to be taken by the Members may be taken without a meeting provided written consent to such action describing the action taken and signed by each Member entitled to vote is delivered to the Secretary of the Association for the inclusion in the Association records. The action shall be effective upon the date of the last consent, unless the consent specifies a different effective date.

Section 3.9: WAIVER OF NOTICE: When any notice is required to be given to any member, a waiver thereof in writing signed by the person entitled to such notice, whether before, at, or after the time stated therein shall be equivalent to the giving of such notice. The attendance of the member at any meeting shall constitute a waiver of notice, waiver of objection to defective notice of such meeting, or a waiver of objection to the consideration of a particular matter at the meeting unless the member, at the beginning of the meeting, objects to the holding of the meeting, the transaction of business at the meeting, or the consideration of a particular matter at the time it is presented at the meeting.

ARTICLE IV BOARD OF DIRECTORS

Section 4.1: NUMBER: The affairs and business of this Association shall be managed by a Board of Directors ("Board") consisting of three persons who need not be Members of the Association. Directors shall be elected by the Members at the annual meeting.

Section 4.2: TERM OF OFFICE. All directors shall be elected to two year terms or until their successors have been elected and assume office. To the extent possible, director terms shall be staggered.

Section 4.3: DUTIES OF DIRECTORS. The Board shall have the powers and duties necessary for the administration of the affairs of the Association. The Board may do all such acts and things necessary to perform their duties except as prohibited by law or by these Bylaws or by the Declaration. The Board may delegate all or any part of its powers and duties to a Managing Agent in accordance with the Declaration. The directors may adopt such rules and regulations for the conduct of their meetings and the management of the Association as they deem proper, and as are not inconsistent with the Declaration, these Bylaws and the laws of the State of Colorado.

Section 4.4: DIRECTORS' MEETINGS. Regular meetings of the Board shall be held immediately following the annual meeting of the members and at such other times as the Board may determine. Special meetings of the Board may be held at such times or places as the Board may determine.

Section 4.5: NOTICE OF MEETING. Notice of meetings, other than the regular annual meetings, shall be given by serving upon each director in person, by telegram, by facsimile transmission or by mailing to him at his last known business address, at least three days before the date therein designated for such meeting, including the day of mailing, a written or printed notice stating the time and place of such meeting. The notice need not state the matters or business to be considered at such meeting. At any meeting at which every member of the Board is present, although held without notice, or to which the directors not present have waived notice in writing, such presence or waiver shall be deemed equivalent to notice, a waiver of all objections to the manner of calling said meeting, and a ratification of the validity of said meeting.

Section 4.6: ACTION WITHOUT A MEETING. Any action authorized in writing by all of the directors entitled to vote thereon and filed with the minutes of the Association shall be the act of the

Board with the same force and effect as if the same had been passed by unanimous vote at a duly called meeting of the Board.

Section 4.7: PARTICIPATION BY ELECTRONIC MEANS. Any directors of the Association, or any committee designated by the Board, may participate in a meeting of the Board 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 4.8: QUORUM. At any meeting of the Board, a majority of the Board shall constitute a quorum for the transaction of business, but in the event of a quorum not being present, a lesser number may adjourn the meeting to some future time, not more than thirty-one days later.

Section 4.9: VOTING. At all meetings of the Board, each director shall have one vote. Except as otherwise required by law, the Articles of Incorporation or the Declaration, the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 4.10: VACANCIES. Vacancies in the Board occurring between the annual meetings shall be filled for the unexpired portion of the term by a person or persons selected by a majority of the remaining directors.

Section 4.11: REMOVAL OF DIRECTORS. Any one or more of the directors may be removed with or without cause in the manner provided for in the Colorado Nonprofit Corporation Act.

Section 4.12: COMPENSATION. No Member of the Board shall receive any compensation for services rendered as a director; provided, however, that directors may receive reimbursement for actual expenses and compensation for services rendered to the Association in any other capacity.

ARTICLE V FISCAL MANAGEMENT

Section 5.1: GENERAL. The provisions for managing the financial affairs of the Association, for and on behalf of all the Owners, are set forth in the Declaration which shall be controlling. The provisions of these Bylaws shall supplement the requirements of the Declaration and shall control except when in conflict with the Declaration.

Section 5.2: ASSESSMENTS. At least 30 days prior to the end of each calendar year, the Board shall determine the annual assessment for the next ensuing year. Such assessments shall be based upon an annual budget for the Association approved by the Board. Each annual budget shall be based upon the actual income and expenditures for the preceding year plus such amounts representing expected additional expenses and modifications of income for the next ensuing year together with contributions to reserves maintained by the Association. Annual assessments shall be payable in periodic installments and with appropriate penalties for delinquency as shall be established by the Board. The interest rate for delinquent assessments shall be fixed annually by the Board at the time the budget is adopted but shall not exceed 18% per annum.

ARTICLE VI OFFICERS

Section 6.1: NUMBER. The Officers of the Association shall be a 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. The officers of the Association need not be members or directors except for the President.

Section 6.2: ELECTION. All officers shall be appointed by and serve at the pleasure of the Board.

Section 6.3: PRESIDENT. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall in general supervise and control all the business and affairs of the Association. He or she shall preside at all meetings of the Members and of the Board. He or she may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board, deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Association, 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 from time to time.

Section 6.4: VICE PRESIDENT. The Vice-President shall, in the absence of the President or in the event of his/her death, inability or refusal to act, perform all duties of the president, and when so acting, shall have all 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/her by the President or by the Board.

Section 6.5: SECRETARY. The Secretary shall (a) keep the minutes of the proceedings of the Members and of the Board in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the Association records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association 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 by the President or by the Board.

Section 6.6: TREASURER. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the Association; (b) receive and give receipts for monies due and payable to the Association from any source whatsoever and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; (c) in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 6.7: VACANCIES - HOW FILLED. All vacancies in any office shall be filled by the Board without undue delay, either at its regular meeting or at a meeting specially called for that purpose.

Section 6.8: REMOVAL OF OFFICERS. By majority vote, the Board may remove any officer at any time, with or without cause.

Section 6.9: SALARY. No officer of the Association shall receive a salary for his services rendered as such; provided, however, officers may be reimbursed for actual expenses and may be compensated for other services rendered to the Association.

Section 6.10: CONTRACTS: No contract or other transaction between the Association and any other entity shall be impaired, affected or invalidated nor shall any director or officer be liable in any way by reason of the fact that any one or more of the directors or officers of this Association is or are interested in, or are directors or officers of such other entity, provided that such facts are disclosed and made known to the Board.

Any director, personally and individually, may be a party to or may be interested in any contract or transaction of this Association, and no director shall be liable in any way by reason of such interest, provided that the fact of such interest be disclosed or made known to the Board, and provided that the Board shall authorize, approve or ratify such contract or transaction by the vote (not counting the vote of any such director) of a majority of the Board notwithstanding the presence of any such director at the meeting at which such action is taken. Such a director or directors may be counted in determining the presence of a quorum at such meeting. This section shall not be construed to impair or invalidate or in any affect any contract or other transaction which would otherwise be valid under the law applicable thereto.

ARTICLE VII INDEMNIFICATION OF DIRECTORS, OFFICERS, AND MANAGING AGENT

Section 7.1: INDEMNIFICATION. The Association shall indemnify every director and officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including attorneys' fees, reasonably incurred by him or her in connection with any action, suit or proceeding to which he or she may be made a party by reason of his or her being, or having been, a director or officer of the Association except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. The Board may provide insurance for the directors and officers for the purpose of complying with the indemnification required hereunder.

Section 7.2: AGENCY. Contracts or other commitments or obligations made by the Board or officers shall be made as agent for the Association or Lot Owners and they shall have no personal responsibility or liability on any such contract or commitment except as a Lot Owner. The liability of any Lot Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Lot Owner bears to the aggregate common interest of all the Lot Owners.

Section 7.3: INSURANCE. The Board shall obtain and maintain in full force and effect the insurance coverage required by the Declaration or by law. The Board may require any Managing Agent or independent contractor providing services to the Association to obtain and maintain in full force and effect such insurance coverage as the Board deems appropriate for the services being rendered.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

Section 8.1: SEAL. The seal of the Association shall be as follows:

A circular impression bearing the words “The Greens at Dalton Owners Association” in the outer circumference of the impression which surrounds the word “SEAL”.

Section 8.2: FISCAL YEAR. The fiscal year of the Association shall be from January 1st to December 31st until changed by the Board subject to applicable law.

**ARTICLE IX
AMENDMENTS**

Section 9.1: BY DIRECTORS. The Board shall have the power to make, adopt, alter, amend and repeal, from time to time, Bylaws of the Association.

Section 9.2: BY MEMBERS. The Bylaws of the Association may be altered, amended or repealed by a vote of two-thirds ($\frac{2}{3}$) of the Members entitled to vote thereon.

CERTIFICATE

I, the undersigned Secretary of The Greens at Dalton Owners Association do hereby certify that the foregoing is a true and complete copy of the Bylaws of said Association and as the same were adopted by the directors of said Association on the ___ day of _____, 2006.

IN WITNESS WHEREOF, I have hereunto affixed the seal of said Association and subscribed by name this ___ day of _____, 2006.

Secretary

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