

AMENDED AND RESTATED BYLAWS
OF
GRANBY RANCH RESIDENTIAL ASSOCIATION

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AMENDED AND RESTATED BYLAWS

OF

GRANBY RANCH RESIDENTIAL ASSOCIATION

ARTICLE 1 - INTRODUCTION

These are the Amended and Restated Bylaws of the Granby Ranch Residential Association, Inc. (the "Association"), which operates under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA") and the Colorado Common Interest Ownership Act, as amended (the "Act"). Terms used herein shall have the meaning set forth in that certain Declaration of Covenants, Conditions and Restrictions for Granby Ranch Residential, recorded on May 4, 2006 at Reception No. 2006-004297 in the office of the Clerk and Recorder for the County of Grand, State of Colorado, as the same may be amended ("Declaration") and in the Act. The Declaration created a common interest community known as "Granby Ranch Residential" (the "Community"). All Owners of Units within the Community are Members in the Association and these terms are synonymous in these Bylaws

ARTICLE 2 - BOARD OF DIRECTORS

Section 2.1 Number and Qualification. The affairs of the Community and the Association are governed by a five-member Board of Directors ("Board"). Only Owners eligible to vote and otherwise in good standing may be elected or appointed to fill a vacancy on the Board; provided, however, Declarant shall have the right to appoint members to the Board ("Directors") and to have members remain on the Board as provided in the Declaration and the Act who may not be Owners. In the case where, through removal or resignation, the total number of Board members is less than five, the Board will be considered properly constituted until such vacancies are filled. The number of members of the Executive Board may be increased or decreased by amendment of these Bylaws but shall not be less than three.

(a) The Declaration and the Act govern appointment of members of the Board during the Declarant Control Period.

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

(c) Upon termination of the Declarant Control Period (the "Turnover Meeting"), an election must be held for the entire Board. At least a majority of the Board (three Directors) must

be non-Declarant Owners. The terms of the Directors elected by the Owners at the Turnover Meeting shall be staggered so that the Director receiving the most votes serves a three-year term, the two Directors receiving the next highest number of votes serve two-year terms and the two Directors receiving the least number of votes serve one-year terms. At the expiration of the initial term of office for each respective Director, his or her successor shall be elected to serve a term of two (2) years.

(d) All Directors shall be Owners, or in the case of an Owner who is an entity organized pursuant to Colorado law, a representative of the Owner.

(e) Each Director shall hold office until the election and qualification of his or her successor. At the Turnover Meeting, the Directors shall be elected by secret ballot. Thereafter, at any meeting at which the Board is to be elected: (i) the vote shall be by secret ballot (unless there are the same number of vacancies as candidates), and (ii) the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the CRNCA for conducting the elections.

(f) These procedures shall apply equally to Owners casting votes individually and Voting Members casting votes on behalf of Owners pursuant to Section 7.4(b) of the Declaration.

Section 2.2 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Board shall have, subject to the limitations contained in the Declaration and the Act and subject to the reasonably prudent business judgment of each Director, 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 Rules and Regulations (including Policies) and Bylaws.

(b) Adopt and amend budgets for revenues, expenditures and reserves in accordance with the Declaration and Section 2.14 below.

(c) Levy Common Expense Assessments, Special Assessments, other Assessments, late fees, interest, fines, penalties, attorneys fees and all other charges pursuant to the Governing Documents and those permitted under the Act.

(d) Collect all amounts due to the Association pursuant to Section 202(c) above in accordance with the Governing Documents.

(e) Suspend the vote allocated to a Unit, and the right of an Owner to cast such vote, or by proxy the vote of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which a Owner is in violation of any other provision of the Governing Documents.

- (f) Hire and discharge Managers as more particularly provided below.
- (g) Hire and discharge employees, independent contractors and agents other than Managers.
- (h) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting the Common Interest Community.
- (i) Make contracts and incur liabilities, including borrowing funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration.
- (j) Regulate the use, maintenance, repair, replacement and modification of all property within the Community.
- (k) Cause additional improvements to be made as a part of the Common Area.
- (l) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property (including, but not limited to Common Area), but Common Area may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act.
- (m) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions, through or over the Common Area.
- (n) Establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the Governing Documents.
- (o) Impose a reasonable charge for the preparation and recording of amendments to the Declaration and statements of unpaid Assessments.
- (p) Provide for the indemnification of the Association's officers and the Board of Directors to the extent provided by law and provide for the indemnification of committee members and others in accordance with these Bylaws, and maintain directors' and officers' liability insurance.
- (q) Declare the office of a Director who is elected by the Owners to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Board of Directors during any one (1) year period.

(r) Appoint any committee as required or permitted by the Declaration or these Bylaws or as may be deemed appropriate by the Board of Directors to carry out its purposes and duties, and by resolution, establish committees, permanent and standing, to research, make recommendations or perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee.

(s) By resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by the CRNCA to be "otherwise set forth in the Bylaws." Such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws.

(t) By resolution, set forth policies and procedures including those required by the Act.

(u) Elect the Delegate to the Master Homeowner's Association of SilverCreek, Inc. or decide by unanimous vote to permit Owners to elect such Delegates.

(v) Exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, the Act, or the CRNCA.

(w) Exercise any other power necessary and proper for the governance and operation of the Association.

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

Section 2.3 Manager. The Board of Directors may employ a Manager for the Common Interest Community, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors; provided, however:

(a) The Board of Directors may delegate to the Manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, Subsections (d), (e), (g), (i), (j), (k) and (m).

(b) Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget.

(c) If a professional Manager is employed, the management agreement must be for a specified term, not to exceed three (3) years, and must contain specific termination provisions. Such termination provisions may not require the payment of any penalty for termination or require advance notice of termination in excess of ninety (90) days. Additionally, The Board of Directors shall require that: (i) the Manager shall maintain fidelity insurance coverage or a bond in an amount

not less than fifty thousand dollars or such higher amount as the Board of Directors may require and; (ii) the Manager shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by it and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and (iii) an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the Manager, a public accountant, or a certified public accountant and that a review or an audit be completed by a certified public accountant at least every two years.

Section 2.4 Removal of Directors. A Director who has been elected by the Owners (or by the Voting Members) may be removed, with or without cause, by a vote of Owners or Voting Members holding sixty-seven percent (67%) of the total votes in the Community who are present and entitled to vote. Removal of a Director may only be done at a meeting of the Owners called for this purpose, at which a quorum is present. Voting by mail to remove a Director shall not be allowed. Only the Declarant may remove Directors appointed by it to the Board.

Section 2.5 Vacancies. Vacancies created by removal of a Director by the Owners or Voting Members pursuant to Section 2.4 shall be filled by a majority of the Board of Directors (at a regular or special meeting) remaining after such vote to remove even though the Directors present at such a meeting may constitute less than a quorum; provided, however, if the entire Board is removed at once, an election shall be held immediately thereafter at the same meeting and the Owners shall elect an entirely new Board of Directors. Each person elected or appointed to the Board of Directors shall serve out the term of the Director who he or she replaced. Thus, if the entire Board consists of three members elected by the Owners, and all are removed, the three persons elected shall serve out the terms of the Directors removed.

Section 2.6 Regular Meetings. The first regular meeting of the Board of Directors following each annual meeting of the Owners shall be held within sixty (60) days after the annual meeting at a time and place to be set by the Board of Directors at the meeting at which the Board of Directors shall have been elected. No notice shall be necessary to the newly elected Board of Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Board of Directors may set a schedule of additional regular meetings by resolution, and no further notice to Board members is necessary to constitute regular meetings. However, the agenda of a regular meeting shall be made reasonably available, in advance of the meeting, to Owners.

Section 2.7 Special Meetings. Special meetings of the Board of Directors may be called by the President or by a majority of its members on at least three (3) business days' notice to each Director. Additionally, the agenda of a special meeting shall be made reasonably available, in advance of the meeting, to Owners.

Section 2.8 Quorum; Actions of the Board of Directors. A majority of the Directors shall constitute a quorum for all meetings and consents. Unless otherwise determined by a vote of the Board of Directors as to a particular issue, a majority vote of those present, constitutes a valid corporate action. For purposes of this Article 2, the term "present" shall include attendance in

person, by proxy (to the fullest extent provided by the CRNCA), or in any manner provided in Section 2.12 below. Each Director casts one vote.

Section 2.9 Location of Meetings. All meetings of the Board of Directors shall be held within Grand County, Colorado unless all Directors consent in writing to another location, or (ii) in such a manner as to permit discussions and deliberations via telephonic means or communication via “real time” e-mail.

Section 2.10 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by an Director at any meeting of the Board shall constitute a waiver of notice. If all the Directors are present at any meeting (participating in a meeting through any means authorized by these Bylaws), no notice shall be required, and any business may be transacted at such meeting.

Section 2.11 Consent to Corporate Action. If a majority of the Board of Directors severally or collectively consent in writing to any action taken or to be taken by the Association (which number constitutes a quorum), that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case may be. The secretary shall file these consents with the minutes of the meetings of the Board of Directors.

Section 2.12 Types of Communication in Lieu of Attendance. Any Director may attend a meeting of the Board of Directors by: (i) using an electronic or telephonic communication method whereby the member may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors; or (ii) by participating in “real time” e-mail communication when all Board members are participating in this form of communication. The vote of such member shall be counted and the presence noted as if that member was present in person on that particular matter.

Section 2.13 Compensation. No Director shall receive any compensation from the Association for acting as such, however Directors may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that (i) such Director's interest was made known to the Board prior to entering into such contract; and (ii) after the Turnover Date, such contract was approved by a majority of the Board of Directors, excluding the interested Director.

Section 2.14 Fiscal and Operational Responsibility. The Board shall adopt a budget which is sufficient to comply with the Declaration, to fund current and anticipated expenses of the Association, and to ensure that repairs, maintenance, replacements and improvements (including capital improvements) are made by reputable companies with expertise in the particular areas. The Board shall also ensure that there are sufficient funds and procedures available to comply with the disclosure, education and other requirements concerning the management and operations of the

Association pursuant to the Act, including, but not limited to, the establishment of a web site in order to disseminate information to owners as required by the Act.

ARTICLE 3 - OWNERS/MEMBERS

Section 3.1 Voting by Owners , Voting Members and Voting Groups. Pursuant to the Declaration, until such time as the Board first calls for election of a Voting Member for any Neighborhood, the Owners within such Neighborhood shall be entitled to personally cast the votes attributable to their Units on any issue requiring a membership vote under the Governing Documents. Additionally, with respect to Directors to be elected by the Voting Members, the Declarant may designate Voting Groups consisting of one or more Neighborhoods for the purpose of electing Directors to the Board. The Declaration requires that Voting Groups may be designated by the Declarant to ensure that groups with dissimilar interests are represented on the Board and to avoid the ability of certain Voting Members to control Board elections. Voting Groups must be established by the Declarant no later than the Turnover Date. During the Declarant Control Period, Declarant appoints a majority of the Board as more particularly set forth in the Declaration and the Act. Once the Board has declared a Neighborhood to be represented by a Voting Member, then the Voting Member shall elect the Board of Directors in the manner prescribed in these Bylaws. Neighborhood elections shall be held in accordance with Section 7.4(b) of the Declaration

Section 3.2 Meetings of the Membership. The following types of "meetings" (as that term is used in the CRNCA) shall be or may be held, as provided below.

(a) Annual Meetings. Annual meeting of Members shall be held at least once a year at such date, time and place set forth in the notice. At these meetings, the Board of Directors shall be elected by ballot of the Owners or the Voting Members, as the case may be, in accordance with the provisions of Article 2 of these Bylaws. The Members may transact such other business as may properly come before them at these meetings.

(b) Special Meetings. Request that a special meeting of the Association be called may be made by the president, by a majority of the Directors or by a written instrument signed by Owners representing twenty percent (20%) of the total votes in the Association.

(c) Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to veto a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Board of Directors. A summary of the proposed budget approved by the Board shall be mailed to the Owners within ninety (90) days after its adoption along with a notice of a meeting of the Association to be held not less than ten (10) nor more than fifty (50) days after mailing of the summary to the Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA). Unless Owners representing 70% of the total votes in the Association veto the proposed budget, the

budget is ratified. There are no quorum requirements for this meeting. In the event the proposed budget is vetoed, the budget last proposed and not vetoed by Owners representing 70% of the total votes in the Association continues until such time as a new budget is presented and not so vetoed by the Owners.

Section 3.3 Place of Meetings. Meetings of the Owners shall be held within Grand County, Colorado and may be adjourned to a suitable place convenient to the Owners, as may be designated by the Board of Directors or the president.

Section 3.4 Notice of Meetings.

(a) Except as otherwise provided in Subsection 3.1(c), the secretary shall cause notice of all meetings of the Owners set forth in Section 3.1 to be hand-delivered, sent via a nationally recognized over-night or express delivery service, or sent prepaid by United States mail directed to the mailing address of each Unit or to the mailing address designated in writing by the Owner, or sent by telefax transmittal to the number designated in writing by the Owner with a written confirmation of receipt not less than ten (10) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient or three days after placing the notice in the United States mail.

(b) To the extent at all possible, (i) the notice of any meeting shall be given electronically, posted on the Association's web site, and posted in a conspicuous place within the Community (the latter, to the extent that such posting is feasible and practicable); and (ii) Owners who have provided the Association with their e-mail addresses shall be provided notice to that address no later than twenty-four (24) hours prior to the time the meeting commences.

(c) The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, any changes to the budget, and any proposal to remove a Director.

(d) No action shall be adopted at a special meeting except as stated in the notice.

(e) The Association shall exercise reasonable diligence in satisfying the requirements of Section 3.4(b), but failure to provide notice of meeting in strict compliance with Section 3.4(b) shall not invalidate an Owner meeting where notice is provided in accordance with Section 3.4(a) above.

Section 3.5 Adjournment of Meeting. At any meeting of Owners, a Majority Vote may adjourn the meeting to another time.

Section 3.6 Order of Business. The order of business at all meetings of the Owners shall be as set forth in the written meeting agenda available at the beginning of each meeting.

Section 3.7 Voting.

(a) If only one of several Owners of a Unit is present at a meeting of the Association, the Owner or Owners present is entitled to cast the vote allocated to that Unit. If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority of the Owners of that Unit. Majority agreement exists if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit. In the event the Owners fail to so agree, then they will be deemed to have abstained on the matter and the vote cast as an abstention.

(b) The vote of a corporation or limited liability company may be cast by an officer of that corporation or by the manager of the limited liability company in the absence of express notice of the designation of a specific person by such Owner's governing body, members, manager, operating agreement or bylaws. The vote of a limited liability limited partnership or a limited partnership may be cast by the general partner (or, in the absence of a written notification of a particular partner, by any general partner if there is more than one general partner). The vote of a general 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 individual presiding at the meeting may require reasonable evidence that a person voting on behalf of an Owner who is a corporation, limited liability company, limited liability limited partnership, limited partnership, general partnership or any other type of entity recognized by Colorado law is qualified to vote.

(c) The Board of Directors 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 the votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner or that it was obtained through fraud or misrepresentation. The Association and its officer or agent and the Board of Directors and its members who accept or reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of the Act and these Bylaws are not liable in damages for the consequences of the acceptance or rejection.

(d) Upon request of the number or percentage of Owners, as set forth in the Act the votes on any matter shall be cast by secret ballot.

(e) The vote allocated to a Unit owned by the Association may not be cast.

Section 3.8 Proxies. The vote allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one person, the proxy may be given by only one of the Owners; provided, however any Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An 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 must be received by the Association's Manager or an officer of the Board no later than 11:59 p.m. on the day before the meeting date. A proxy terminates eleven months (11 months) after its date, unless it specifies a shorter term. A proxy obtained through fraud or misrepresentation shall be void and of no effect. The Board of Directors may establish reasonable policies concerning the form and use of proxies.

Section 3.9 Quorum. Except as otherwise provided in these Bylaws, the Owners present at any meeting of Owners, representing ten percent (10%) of the total votes in the Association, shall constitute a quorum at that meeting. For purposes of this Article 3, the term "present" shall include attendance in person, by proxy, via telephonic or other electronic means, via "real time" e-mail or, in the case of written ballots, by providing written response on or before the date responses are due as set forth in the written ballot. Only Owners eligible to vote may cast proxies for other Owners and only Owners eligible to vote may be considered "present."

Section 3.10 Voting Definitions. In voting on matters before the Association, Owners shall cast the vote allocated to the Unit as set forth in the Declaration (one vote per Unit), as follows:

(a) The term "majority vote" shall mean the vote of Owners casting one more than half of the votes present at a meeting or cast by written ballot and shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or the Act.

(b) Any vote which requires a particular percentage of the total votes who are present shall mean the vote of those Owners holding, in the aggregate, such votes equal to that percentage who are present and shall be binding upon all Owners for that specific purpose.

(c) Any vote which requires a particular percentage of the "total votes in the Association" shall mean the vote of Owners who, in the aggregate hold that percentage of the total votes in the entire Community.

Section 3.11 Voting by Mail. Except as limited by Section 2.4 above, the Board of Directors may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to the CRNCA, any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot, and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.3 above or by e-mail attachment if the addresses has been provided to the Association.

(a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to met the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than the election of Director; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(d) A written ballot, once received by the Association, may not be revoked, unless the Owner casting the written ballot appears in person at a meeting convened to consider any one or more of the matters on the ballot.

(e) Written ballots may be submitted to Voting Members in the same manner as that provided in this Section 3.11 for Owners/Members.

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 Board of Directors. The Board of Directors may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. 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. Except as otherwise provided in Section 4.8 below, all officers must be Directors. All Directors vote, regardless of the office he or she may hold.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. Each officer who is also a Director shall cast one vote.

Section 4.3 Resignation and Removal of Officers. Upon the affirmative vote of a majority of the Board of Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. Any officer may resign at any time by giving written notice to the president or secretary.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Board of Directors.

The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the Board of Directors 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 Board of Directors shall appoint another of its members to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Board of Directors or by the president.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Owners and the Board of Directors. The secretary shall have charge of the Association's books and papers as the Board of Directors 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 these 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 Board of Directors 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 Board of Directors. 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 Board of Directors 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.

Section 4.8 Assistant Secretaries and Assistant Treasurers. The Board may elect individuals to serve in the capacity of Assistant Secretary and/or Assistant Treasurer to carry out certain of the duties of Secretary and/or Treasurer who shall be responsible the Board, but who need not be Directors.

Section 4.9 Execution of Instruments. Except as provided in Sections 4.4, 4.6, 4.7 and 4.10 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 Board of Directors.

Section 4.10 Statements of Unpaid Assessments. The Treasurer, Assistant Treasurer, the Manager 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 amount of the fee for preparing statements of unpaid Assessments and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as a Common Expense Assessment against the Unit for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1 Abatement and Enjoinment of Violations by Owners. The violation of any provision of the Governing Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Governing Documents, after notice and an opportunity to be heard (except in case of an emergency when no notice is required):

(a) To enter the Unit 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 Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Area or is contrary to the intent and meaning of the provisions of the Governing Documents. The Board of Directors shall not be deemed liable for any manner of trespass or damage by this action; or

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

Section 5.2 Fines for Violations. The Board of Directors may adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules and Regulations or of the Declaration. Fines will be levied after notice thereof and an opportunity to be heard. The Board of Directors may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each such violation, including those violations which persist after notice and an opportunity for a hearing is given.

ARTICLE 6 - INDEMNIFICATION

Section 6.1 Actions Other Than By Or In The Right of The Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any

threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Director or officer of the Association, who is or was serving at the request of the Association in such capacity, for expenses (including expert witness fees, attorneys' fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful. Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as possible, without the need of Owners' approval.

Section 6.2 Action By Or In the right of The Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a Director or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper. Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as practical, without the need of Owners' pre-approval.

Section 6.3 Successful on the Merits. Although the indemnification in Sections 6.1 and 6.2 do not require a final determination of non-culpability, to the extent that a Director, Manager, officer, committee member, employee, fiduciary or agent of the Association (collectively or singularly as context requires, "appropriate person") has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 6.1 or 6.2 of this Article 6, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

Section 6.4 Determination Required. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Sections 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the Director or other appropriate person is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Board of Directors by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested Directors so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board of Directors shall provide a copy of its written opinion to the officer or Director seeking indemnification upon request.

Section 6.5 Payment in Advance of Final Disposition. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Sections 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the Director or other appropriate person proper in the circumstances because such individual has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Board of Directors by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested Directors so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board of Directors shall provide a copy of its written opinion to the officer or member of the Director or other appropriate person seeking indemnification.

Section 6.6 No Limitation of Rights. The indemnification provided by this Article 6 shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested Directors, or otherwise, nor by any rights which are granted pursuant to the Act and the CRNCA. Upon a vote of the Board of Directors, the Association may also indemnify a member appointed by the Board of Directors to serve on a committee (when such committee member is not also a Director) upon such terms and conditions as the Board of Directors shall deem just and reasonable.

Section 6.7 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a Director or an officer of the Association or, in the Board's discretion, a member of a committee against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article 6.

ARTICLE 7 - RECORDS

Section 7.1 Audits. The Association shall maintain financial records. An audit or review shall be done no less often than every two years, unless otherwise provided for in the Declaration or as determined by the Board of Directors. Further, an audit shall be done in accordance with the provisions of Section 303 (b)(II) of the Act. The cost of any audit or review shall be a Common Expense.

Section 7.2 Examination. Records maintained by the Association or the Manager shall be available for examination and copying by any Owner or by any of their duly authorized representatives, at the expense of the person examining the records, during normal business hours, after reasonable notice and in accordance with the Association's Policy Regarding Inspection of Records, the CRNCA and the Act.

Section 7.3 Records. The Association shall keep the following records:

- (a) An account for each Unit, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;
- (b) The current operating budget;
- (c) A record of insurance coverage provided for the benefit of Owners and the Association for the immediately preceding three years;
- (d) Tax returns for state and federal income taxation for the preceding seven years;
- (e) Minutes of proceedings of incorporators, Owners, Board of Directors and its committees (including written consents and written ballots), and waivers of notice;
- (f) A copy of the most current version of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Board of Directors, along with their exhibits and schedules;
- (g) All written communications to Owners (which communications shall only be made available to the Owner with whom the Association has communicated);
- (h) A list of the names and business or home addresses of the current Directors and officers;
- (i) A copy of the Association's most recent corporate report filed with the secretary of state in accordance with the CRNCA;

(j) A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owners is entitled to vote; and

(k) Such other records the Board of Directors shall determine from time to time are necessary or desirable which shall be subject to examination pursuant to the Association's written policies concerning inspection of records.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 Notices. All notices to the Association or the Board of Directors 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 Board of Directors may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when deposited into the United States mail, first class postage prepaid, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 Fiscal Year. The Board shall establish the fiscal year. The current fiscal year ends December 31.

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 or 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 at the Manager's office or at such other place as the Board of Directors may from time to time designate.

Section 8.5 Audio and Video Recording Prohibited. Records of all meetings shall be solely by minutes duly approved by the Owners or the Board, as the case may be. Accordingly, both audio and video recording of meetings is prohibited.

Section 8.6 Conflict of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE 9 - AMENDMENT OF BYLAWS

These Bylaws may only be amended by a vote of the Board of Directors.

KNOW ALL MEN BY THESE PRESENTS: That the undersigned secretary of Granby Ranch Residential Association does hereby certify that the above and foregoing Amended and Restated Bylaws were duly adopted by the Board, at a duly-convened regular Board meeting on May 20, 2009 and that these Amended and Restated Bylaws do now constitute the Bylaws of said Association.

Secretary