

**BYLAWS OF
BANNOCKBURN HOMEOWNERS ASSOCIATION, INC.**

Adopted: 10/14/98

ARTICLE I - Definitions

Section 1. Bannockburn Homeowners Association, Inc.

The Bannockburn Homeowners Association, Inc. (called hereinafter the "**Corporation**") is a Colorado corporation, not-for-profit, formed in accordance with the Articles of Incorporation filed with the Colorado Secretary of State.

Section 2. Bannockburn.

The word "**Bannockburn**" as used in these Bylaws and in the Protective Covenants shall mean the lands included within the Bannockburn Subdivision, Filings one through six (1-6) according to the plat thereof, filed for record in the records of the Clerk and Recorder of Douglas County, Colorado.

Section 3. Residential Lots.

All of the subdivision lots designated on Filings 1 through 6, inclusive, recorded plat of the subdivision by block and lot number shall be residential tracts (hereinafter "**Residential Lots**").

Section 4. Owners.

All persons or associations who own or acquire title in fee simple to any of the residential lots within Bannockburn, whether held in single, joint or common ownership and by whatever means acquired, as recorded with the Clerk and Recorder of Douglas County, Colorado, shall be a single "**Owner**".

Section 5. Members of Bannockburn Homeowners Association.

Each Owner of any of the residential lots within Bannockburn shall automatically become a "**Member**" of Bannockburn Homeowners Association and shall be required to pay annual dues in the amount of twenty-five dollars (\$25.00) or in such amount as may be determined from time to time by the Bannockburn Homeowners Association in accordance with Article V, Section 2.

Section 6. Resident Member.

All Members whose principal place of residence is in Bannockburn, shall be a "**Resident Member**".

Section 7. Members in Good Standing.

Each Member of the Corporation who has paid the membership dues for the current year shall be considered a "**Member in Good Standing**"; additionally, a Member in Good Standing who is also a Resident Member shall be a "**Resident Member in Good Standing**".

Section 8. Protective Covenants.

The "**Bannockburn Protective Covenants**" are set forth in a separate instrument entitled "Bannockburn Protective Covenants" as on file, including amendments, with the Douglas County

Clerk and Recorder. By purchasing property in Bannockburn, each Member of the Corporation agrees to be bound by the conditions, restrictions, stipulations and agreements as set forth in the Protective Covenants.

ARTICLE II - Meetings of the Members

Section 1. Annual Meeting.

The annual meeting of the Members of this Corporation shall be held on the third Saturday of October at such time and place as may be determined by the Board of Directors. Written notice of the annual meeting shall be given to all Members of this Corporation not less than seven (7) days nor more than twenty one (21) days prior to the meeting, stating the place, the date, the time, and the proposed agenda of the meeting.

Section 2. Special Meetings.

A special meeting of the Members of this Corporation may be called at any time: (a) by a resolution of the Board of Directors; (b) by the President; or, (c) by ten (10) Members in Good Standing. Such meeting shall be called by giving written notice of the meeting to all Members of this Corporation not less than seven (7) days nor more than twenty one (21) days prior to the meeting. The notice shall state the place, the date, the time, and the purpose of the meeting.

Section 3. Quorum.

The attendance at a meeting of the Members of the Corporation by Members in Good Standing equal in number to thirty percent (30%) of the number of Resident Members in Good Standing, as certified by the Secretary, shall constitute a quorum of the Corporation sufficient to conduct business.

Section 4. Number of Votes.

In all affairs of this Corporation, only a Member in Good Standing shall be entitled to vote and each Member in Good Standing shall have one (1) vote. In the event of joint or common ownership of a Residential Lot, only one of the owners shall be permitted to vote. No vote may be fractionalized. If the joint or common Owner constituting a Member in Good Standing cannot agree among themselves as to which person will cast the vote on behalf of such Member, such Member will be precluded from voting.

Section 5. Manner of Voting.

(a) At all meetings of the Members, a Member in Good Standing may vote in person or by proxy executed in writing. Such proxy shall be filed with the Secretary of the Corporation before the commencement of such meeting. No proxy shall be valid after eleven (11) months from its date of execution.

(b) Matters which could be considered at a special meeting of the Members may be voted upon without the necessity of a meeting by means of written ballot executed by the Members in Good Standing. Any such matter or resolution may be proposed by anyone authorized to call a special meeting under Article II, Section 2. In order to utilize a written ballot in lieu of a meeting, the matter or resolution to be considered by the Corporation Members shall be described in a written ballot and shall be personally delivered or mailed by the Secretary of the Corporation to each Member in Good Standing by first-class United States mail, postage prepaid, addressed to such Member in Good Standing at the mailing address registered by such Member with the Secretary of the Corporation or, if no address has been so registered, then to the address for the Residential Lot owned by such

Member. The Members in Good Standing shall have 21 days from the date of delivery or deposit into the United States mail system, whichever first occurs, within which to return such ballot to the Secretary of the Corporation evidencing such Member's vote in favor or against the matter or resolution proposed.

Only such ballots as are actually received by the Secretary within such 21-day time period shall be effective. Provided that the number of Members in Good Standing voting in the manner and time period provided herein is equal to or more than that required for a quorum at an annual or special meeting, as required by Article II, Section 3, it shall constitute an act of the Members in Good Standing of the Corporation with the same force and effect as if taken at a special meeting which has been duly called and at which a quorum was present. The Secretary of the Corporation shall have the sole authority to determine if a ballot has been properly executed and timely voted, and the decision of the Secretary shall be final and binding, not subject to contest.

ARTICLE III - Directors

Section 1. Corporation Management.

The affairs and management of this Corporation shall be under the control of a Board of Directors, each of whom shall be a Resident Member in Good Standing of this Corporation.

Section 2. Number of Directors.

The Board of Directors shall consist of seven Resident Members in Good Standing. In the event that a Member consists of more than one natural person, as in the case of a Residential Lot owned jointly, commonly, or in another manner pursuant to which more than one natural person has been vested with title to such Residential Lot, or if title is held in the name of a partnership, corporation, association or other entity, only one natural person connected with such Member shall be entitled to be elected to the Board of Directors.

Section 3. Election of Directors.

Members of the Board of Directors shall regularly be elected at the annual meeting of the Members of this Corporation in the manner and for the terms provided in Article VII herein.

Section 4. Vacancies.

Any vacancy on the Board of Directors, other than arising by removal as set forth in Section 9 of this Article III, shall be filled, for the remaining unexpired term created by the vacancy, by the remaining Directors.

Section 5. Regular Meetings.

Meetings of the Board of Directors shall be held on the second Wednesday of each month at such time and place as may be determined by the President. The President shall direct the Secretary to orally remind, or to deliver a written reminder notice of the date, time, and place to each member of the Board not less than seventy-two (72) hours prior to the meeting and not more than 10 days prior to the meeting. Upon refusal of the President to schedule a meeting, any three (3) members of the Board of Directors may call a meeting upon notice in writing to each member of the Board sent at least three (3) days before the meeting date, but not sooner than seven (7) days before such meeting date.

Section 6. Special Meetings.

A special meeting of the Board of Directors may be called at any time by the President or by any three (3) members of the Board by giving not less than three (3) days nor more than seven (7) days

notice in writing to each member of the Board. The notice shall state the place, the date, the time, and the purpose of the meeting.

Section 7. Open Meetings.

Meetings of the Board of Directors shall be open to any and all Member and non-member residents of Bannockburn desirous of attending, whether or not such persons are in Good Standing. Matters shall be placed upon the Agenda of the Directors meeting by any Member of this Corporation by giving written notice to the Secretary not less than three (3) days prior to the meeting date, setting forth the subject matter.

Section 8. Quorum.

Attendance at a meeting of the Board of Directors by at least forty percent (40%) of the Members then in office shall constitute a quorum sufficient to conduct business.

Section 9. Removal of Directors.

Directors may be removed at any time, with or without cause, at a meeting of the Members at which a quorum is present, by the vote of a majority of the Members in Good Standing. In the event of a removal of a Director pursuant to this Section, the vacancy so created shall be filled by a majority vote of the Members in Good Standing at a meeting of the Members at which a quorum is present. The person elected to fill such vacancy created by removal of a Director shall serve the remaining unexpired term of the removed Director.

Section 10. Automatic Removal of Directors.

A member of the Board of Directors shall be removed automatically if the Director fails, as reported by the Secretary, to attend three (3) consecutive or four (4) of six (6) consecutive regular meetings of the Board as reported by the Secretary. The vacancy so created shall be filled in the manner set forth in Section 4 of this Article III.

Section 11. Place of Meeting.

Unless agreed to by all members of the Board of Directors to the contrary, all meetings shall be held within Douglas County, Colorado.

ARTICLE IV - Officers

Section 1. Officers of the Corporation.

The officers of this Corporation shall be a President, Vice-President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors at the first meeting of the Board following the annual membership meeting. Any two or more offices may be held by the same person, except the offices of President and Secretary which shall be held by different persons. Each officer shall hold office for one (1) year or until a successor is duly elected or appointed by the Board of Directors. Each such officer shall be elected from the membership of the Board of Directors.

Section 2. President.

The President shall preside at all regular meetings of the Board of Directors and at the meetings of the Members of this Corporation, shall be the chief executive officer of this Corporation and shall perform such other duties as are generally or customarily performed by such an officer in a corporation of like character.

Section 3. Vice-President.

The Vice-President shall assume the duties of the President in the absence of the President, shall chair the Environmental Committee and shall perform such other duties as the Board of Directors may direct.

Section 4. Secretary.

The Secretary shall keep the minutes of the meetings of the Board of Directors and the minutes of any and all meetings of the Members; shall have custody of the Corporation seal and shall affix the seal to all contracts and conveyances requiring the same; shall carry on all correspondence of the Corporation unless otherwise provided; shall give notice of all meetings of the Board of Directors and meetings of the general membership when required to do so; shall keep up-to-date records of the names and addresses of the Members of the Corporation; shall ensure that copies of the Bylaws and of the Protective Covenants are made available to each Member; shall supervise and affect the proper delivery or mailing to the Members of any matter or resolution to be voted upon by written ballot without a meeting; shall read the previous minutes and report on the membership at the annual meeting and at meetings of the Board of Directors; shall certify a current list of the Members in Good Standing and Resident Members in Good Standing to each meeting of the Members of the Corporation; shall permanently maintain records of all meeting minutes, notices to Members, ballots, and other such documents as shall be required by the Board of Directors; and shall perform such other duties as may be required by the Board of Directors.

Section 5. Treasurer.

The Treasurer shall have charge of the funds of this Corporation and shall disburse funds only by issuing checks that are co-signed by another officer of this Corporation. The Treasurer shall prepare and mail notices to all Members, at least twenty (20) days prior to the due date, stating that membership dues are payable, to whom the dues are to be paid and the amount; shall keep written books of account showing all receipts and expenditures; shall deposit any and all funds of this Corporation in such financial institutions as the Board of Directors may determine by resolution; shall make a financial report at the annual meeting and at all the meetings of the Board of Directors and shall perform such other duties as may be required by the Board of Directors.

Section 6. Chairpersons of Standing Committees.

The Vice-president shall chair the Environmental Committee. From the Directors, who are not elected officers, there shall be appointed by the Board of Directors from their numbers, two different Directors, each one of whom shall chair one of the following standing committees of the Corporation: (a) the Social Committee; and, (b) the Governing Documents Committee.

Section 7. Vacancies.

Any vacancies in office, except for the office of President, shall be filled by election by the Board of Directors at a duly called and convened meeting of the Board of Directors after the vacancy occurs. A vacancy in the office of President shall be assumed by the Vice-President and a new Vice-President shall be elected by the Board of Directors.

Section 8. Service Without Compensation.

No officer, member of the Board of Directors, or member of any committee shall have or be entitled to any compensation, remuneration or monetary consideration. No person rendering any service on behalf of this Corporation shall have or be entitled to any compensation, remuneration or monetary consideration unless the same shall have been fixed first by the Board of Directors.

Section 9. Removal of Officers.

Any officer may be removed, with or without cause, by a majority of the members of the Board of Directors.

ARTICLE V - Membership Dues

Section 1. Change in Amount of Dues.

A two-thirds (2/3rds) majority of the voting Members in Good Standing, at a duly called meeting at which a quorum is present, shall be required to change, alter or fix the dues structure.

Section 2. Use of Dues.

The revenues of the Corporation derived from such membership dues are to be used for basic expenses incurred in the operation of the Corporation. Revenues of the Corporation may also be used for the benefit of the Bannockburn Subdivision including repairs and/or improvements within the boundaries of the Bannockburn subdivision. Revenues may also be used for improvements and/or repairs to the Douglas County owned tracts of land within the Bannockburn subdivision provided that Douglas County has given prior written approval. No Member shall have any right to dividends or distributions of such membership dues or of any interest or earnings generated from such membership dues. In the event of dissolution of the Corporation, all unexpended dues, interest or other earnings arising from such dues, and any other revenues of the Corporation shall be donated to a tax-exempt, non-profit charity selected by the last members of the Board of Directors.

Section 3. Amount of Dues.

Until changed in the manner set forth in Section 2 of this Article V, membership dues shall be \$25.00 per year or part thereof and shall not be prorated for any period of less than a year. Dues shall first become due by a Member upon becoming a Residential Lot owner. No credit shall be given which relates to such Residential Lot for payments made during the fiscal year by the prior Residential Lot owner.

Section 4. Dues Payment Date.

Except as to new Members of the Corporation, whose dues shall become due upon becoming a Residential Lot owner, membership dues shall be due and payable on the first day of March of each year.

Section 5. Payments Other Than Dues.

The Board of Directors shall have the authority to accept donations, bequests and payments larger than the regular membership dues from any person, firm or corporation but in the acceptance of same it is distinctly understood that the Directors are prohibited from issuing any additional membership or from promising that any benefit will accrue to the donor.

ARTICLE VI - Standing Committees

Section 1. Environmental Committee.

The Environmental Committee shall consist of the Board of Directors, as required by the Bannockburn Protective Covenants, and shall be chaired by the Vice-president of the Board of Directors. The responsibilities and authority of the Environmental Committee shall be as set forth in the Bannockburn Protective Covenants.

Section 2. Public Liaison Committee.

The Board of Directors shall comprise the membership of the Public Liaison Committee. This Committee shall appoint representatives from Committee members or from Members in Good Standing to attend meetings of federal, state and local governmental agencies and meetings of other similar associations of Douglas County as is appropriate. These representatives shall furnish to the Committee reports of the meetings that they have attended.

Section 3. Social Committee.

The Board of Directors shall appoint a Social Committee consisting of not less than five (5) members from the general Members in Good Standing. A member of the Board of Directors, not an officer, who is appointed by the Board shall chair this Social Committee and this Committee shall appoint its own secretary and such other operating or managing officers as it deems necessary or convenient. This Committee shall be responsible for promoting social activities of and services for Members of this Corporation. The Social Committee shall organize at least one annual event in which all residents of Bannockburn may participate.

Section 4. Governing Documents Committee.

The Board of Directors shall appoint two (2) members from the general Members in Good Standing to serve on the Governing Documents Committee. A member of the Board of Directors, not an officer, who is appointed by the Board shall chair this Governing Documents Committee. This Committee shall be responsible for reviewing at least annually the Articles of Incorporation, the Bylaws of this Corporation, the Protective Covenants, any authorized rules and regulations, and any other documents that pertain to the operation of the Corporation and shall be responsible for recommending any amendments or changes in any of these documents to the general membership at the annual or any special meeting of the Members called for that purpose. This Committee shall ensure that all documents, reports and filings of the Corporation are prepared and/or filed in a timely manner with the Colorado Secretary of State, the Douglas County Clerk and Recorder and with such other governmental agencies, as required.

Section 6. Nominating Committee.

The Board of Directors shall appoint a Nominating Committee consisting of five (5) members from the general Members in Good Standing. This Committee shall appoint its own chairperson. The Nominating Committee shall seek qualified candidates, obtain the consent of the candidate and shall nominate at least as many persons as there are vacancies on the Board of Directors to be considered by the Members for election to fill such vacancies. The Committee shall file a slate of nominees in writing with the Secretary at least two (2) weeks prior to the date of the annual meeting.

Section 7. Special Committees.

The Board of Directors shall have authority to appoint special committees as may be necessary, to define the duties of any special committee and to provide its advice and consent to the President as to whom should fill any vacancies on special committees or on standing committees.

Section 8. Vacancies in Committees.

A vacancy in any Committee shall be filled by appointment by the the Board of Directors.

ARTICLE VII - Elections of Board of Directors

Section 1. Secret Ballot.

An election shall be held at the annual meeting by secret ballot to fill any vacancies on the Board of Directors due to expiration of terms.

Section 2. One Vote per Vacancy/No Cumulative Voting.

Each Member in Good Standing may cast one vote for each vacancy in the Board of Directors. Cumulative voting shall not be permitted in the election of the Board of Directors.

Section 3. Candidate Must Consent to Run.

No candidate shall be announced for nomination unless his or her consent has been secured.

Section 4. Terms of Elected Members.

At the annual meeting of the Members to be held in 1992, an entire new Board of Directors consisting of seven members shall be elected. The four persons who received the most number of votes shall serve two-year terms and the remaining three persons elected to the Board of Directors shall serve one-year terms. Thereafter, the terms of persons elected at the annual meeting to fill those vacancies created by expired terms of members of the Board of Directors shall each serve two-year terms. The intent of this Section is to provide for the expiration and replacement of not less than forty percent (40%) of the Directors and not more than sixty percent (60%) of the Directors each year. In the event that the number of Directors shall, from time-to-time, be altered, the terms shall be staggered so as to effectuate this intent.

Section 5. Notice of Candidates.

The Secretary shall provide written notice of the names of the candidates that have been submitted by the Nominating Committee to all Members of the Corporation at least one (1) week prior to the annual meeting.

Section 6. Additional Nominations.

Additional nominations may be made by written petition, signed by at least three (3) Members in Good Standing and filed with the Secretary at least one (1) week prior to the annual meeting. The Secretary shall announce the names of these candidates prior to the voting at the annual meeting.

Section 7. Nominations From Floor.

At the annual meeting, the President shall solicit from the Members in Good Standing additional nominations, who shall, upon being properly seconded by a Member in Good Standing, be added to the slate of candidates for submission to the Members in Good Standing for election.

Section 8. Election Commissioners.

The Board of Directors shall appoint three (3) election commissioners, who are not candidates for election, to count the ballots and announce the results of the election prior to the adjournment of the annual meeting.

Section 9. Most Votes.

Candidates, corresponding in number to the number of vacancies, receiving the highest number of votes in each category of vacancy as set forth in Section 4 of this Article VII, shall be elected. In case of a tie, either as to the determination of the last elected member to the Board or as to the term of office to be held by those persons receiving the same number of votes, a run-off election shall be held immediately.

ARTICLE VIII - Miscellaneous

Section 1. Corporate Seal.

The seal of this Corporation shall be circular in form and shall have inscribed thereon the name of the Corporation "BANNOCKBURN HOMEOWNERS ASSOCIATION, INC." together with the word "Seal".

Section 2. Decorum at Meetings.

"Robert's Rules of Order" shall govern the order of business at all meetings of the Board of Directors and at all meetings of the Members when not in conflict with these Bylaws and the Articles of Incorporation.

Section 3. Fiscal Year.

The fiscal year of this Corporation shall be January 1 through December 31.

ARTICLE IX - Payment of Bills

Section 1. Treasurer's Authority.

The Board of Directors shall approve payment of all financial obligations of the Corporation. The Board may delegate to the Treasurer the approval authority for payments not to exceed seventy five dollars (\$75.00).

Section 2. Obligations over \$100.

No financial obligation over \$100.00 can be incurred on behalf of the Corporation by a Director, or an Officer of this Corporation without prior approval of the Board of Directors.

Section 3. Obligations over \$1,000.

No financial obligation over \$1,000.00 can be incurred on behalf of the Corporation by a Director, an officer or a Member of this Corporation without prior approval of the majority vote of a quorum of the Members in Good Standing taken at a meeting of the members or a special meeting called in accordance with these Bylaws.

ARTICLE X - Disputes

1. Administrative Remedy.

Disputed decisions rendered by the Board of Directors or its Officers, acting as other than the Environmental Committee, shall be subject to administrative review by the Board of Directors at a regular or special meeting of the Board of Directors. A Member shall effectuate such review by utilizing the procedure set forth in Article III, Section 7 to place the subject-matter of the review upon the agenda of the Board of Directors and shall provide written notice to all persons interested in such review at least three (3) days in advance of the meeting of the Board of Directors at which such review is to occur. In the event that the decision of the Directors rendered on such review is unacceptable to any person, such person may petition to have the dispute decided by a vote of the Members in Good Standing at an annual or special meeting of the Members of the Corporation in which a quorum is present. In the event that the petition does not fulfill the requirements set forth in Article II, Section 2, for calling a special meeting, the vote shall be conducted at the next annual meeting. The decision, as determined by the vote of the Members in Good Standing, shall be final and not subject to further dispute or arbitration.

Decisions rendered by the Board of Directors, acting as the Environmental Committee, are final and not subject to dispute or arbitration other than through the processes, such as submitting a request for variance, as are, or may be in the future, described and allowed by the Bannockburn Protective Covenants.

ARTICLE XI - General Provisions

1. Amendments.

These Bylaws may be amended or changed by a favorable vote of two-thirds (2/3) of the Members in Good Standing voting at the annual meeting or at any special general membership meeting provided that written notice of the special meeting is given to each Member of this Corporation not less than seven (7) days nor more than twenty one (21) days prior to the meeting, and provided that such notice shall set forth the proposed amendment(s) or change(s), together with the place, the date and time of the meeting.

2. Separate Instrument.

The Bannockburn Protective Covenants are a separate instrument which must be amended according to the procedures set forth therein. Therefore, no provision in or amendment to these bylaws shall have any effect on the content, interpretation, validity or standing of the Bannockburn Protective Covenants, including the duties, responsibilities and make-up of the Environmental Committee as set forth therein.

3. Severability.

Should any part or parts of these bylaws be declared invalid or unenforceable by any court of competent jurisdiction, such decision shall not effect the validity of the remaining bylaws.

CERTIFICATE OF SECRETARY

I, _____, being the duly elected Secretary of the Bannockburn Homeowners Association, Inc., do hereby certify that the foregoing Bylaws were duly adopted at a meeting of the Members duly called and held on the ____10th____ day of _____October_____, 1998.

Secretary

Date _____