

1986

By-Laws

Article 1.00
Name, Duration and Offices

1.01. Name. The name of the Association is Cripple Creek Mountain Estates Property Owners Association.

1.02. Duration. The Association shall have perpetual existence.

1.03. Registered Agent and Registered Office. The Association shall have such offices and shall conduct its business in such places as shall be authorized by the vote of its Directors (See Article 3.02(b)).

Article 2.00
Purposes and Powers

2.01. Purposes. The Association is formed for these purposes:

(a) To exercise all the powers, privileges and duties granted to the "Association" in certain Declarations of Protective Covenants, etc., recorded by Golden Cycle Land Corporation in the records of the Clerk and Recorder of Teller County, Colorado and affecting all of the real property within Cripple Creek Mountain Estates Filings 1 through 23, inclusive (including Filings 19-1, 19-2, 19-3, and 19-4), Cripple Creek Ranches Filings 1-3, inclusive, all in Teller County, Colorado, as same are now constituted and as same may be lawfully amended from time to time (All of the real property described in the preceding phrase shall hereinafter be called "Estate");

(b) To buy, sell, own, manage, improve, maintain and control the use of real estate and improvements thereto within the Estate, presently owned by it or designated as common areas (by said word or words of similar meaning) by any recorded document affecting the Estate;

(c) To buy, sell, own, manage, improve, maintain and control the use of personal property acquired by it to carry out its purposes;

(d) To make uniform assessments of its Members;

(e) To set and collect reasonable charges for specific uses of its properties or for specific services provided by it;

(f) To pursue any other purpose or purposes which may be approved by the greater vote of members (See Article 3.02(a));

(g) To do everything necessary, advisable or convenient to accomplish said purposes or which are incidental thereto or connected therewith;

(h) To carry out said purposes wherever said purposes may require.

2.02. Powers. To advance these purposes, the Association shall have all powers now or hereafter conferred upon nonprofit corporations organized under the laws of the State of Colorado, as limited thereby and by these Bylaws.

2.03. Law Governing. The Colorado Nonprofit Corporation Act as modified hereby shall govern the interpretation of these Bylaws.

Article 3.00
Association Powers, By Whom Held,
How Exercised, How Implemented;
Liability

3.01. The Holders of Association Powers. (a) Subject to Article 3.01(b), the other provisions hereof and any restriction thereon which may have the effect of law, only the Members of the Association (as determined by these Bylaws) possess the following powers:

1. To amend its Articles of Incorporation;
2. To sell, lease, exchange or otherwise dispose of all or substantially all of its property and assets, with or without its goodwill (the foregoing shall not include any mortgage, pledge or sale pursuant to any order of court);
3. To merge or consolidate with another corporation;
4. To voluntarily dissolve or to revoke a voluntary dissolution, if such a revocation shall occur prior to the issuance of a certificate of dissolution.

(b) All other powers of the Association shall be held by its Members and/or its Directors as stated in these Bylaws. All powers not specifically reserved to its Members are vested in its Board of Directors.

3.02. The Exercise of Association Powers. (a) The Members of the Association shall exercise their powers enumerated in Article 3.01(a) and certain other powers herein enumerated by their greater vote. The greater vote of the Members of the Association

shall occur when two-thirds of all the votes of its Members are cast for a matter at a meeting of such Members. Before any matter requiring the greater vote of the members is submitted for such a vote, it shall be approved by the vote of the Board of Directors or it shall be requested by Members possessing one-twentieth of all votes of the Members.

(b) Certain other actions of the Association - specifically stated in these Bylaws - shall require the vote of its Members. The vote of the Members shall occur when a majority of the votes of the Members are cast for a matter at a meeting of the Members at which a quorum is present.

3.03. How Exercised Association Powers Implemented; Liability.

(a) The purposes, policies, resolutions and directives of the Association duly enacted by its Board of Directors and/or its Members shall be implemented by its officers and employees.

(b) The directors, officers, employees and members of the Association shall not, as such, be liable on its obligations.

Article 4.00
Members

4.01. Certificates of Membership. The Association may issue certificates evidencing membership herein. The Association shall have no authority to issue fractional memberships and each membership shall be indivisible and inseparable from ownership as defined in Article 4.05 hereof.

4.02. Pre-emptive Rights. Members shall not have pre-emptive rights to acquire additional memberships in the Association.

4.03. Cumulative Voting. Cumulative voting shall not be allowed for any purpose.

4.04. Lost Certificate. In case of the alleged loss, destruction or mutilation of a certificate of membership, the proper officers of the Association may issue a new certificate.

4.05. Qualification for Membership. The equitable owner or equitable owners of each platted residential lot within the Estate shall become the owners of a single membership in the Association. The term Member shall mean all owners of such a lot, regardless of their actual number. By the foregoing, any legal owner of such a lot who has contracted away equitable title is disqualified as a Member. Nonetheless, the foregoing is not intended to disqualify a legal entity, trustee, personal representative or other fiduciary who holds title to such a lot from membership. The Board of Directors shall have final authority in determining questions of membership.

4.06. Termination of Membership. Only termination of ownership as described in Article 4.05 hereof shall terminate membership in this association. Such termination shall not terminate the liability of such persons for assessments and other obligations during his, her or their period of ownership.

4.07. Privileges of Membership. Each Member, the dependent members of their families, their guests and tenants of the Member shall be entitled to the full use and enjoyment of all properties owned or controlled by the Association, subject to such rules and regulations for the use thereof as may be established by the Board of Directors from time to time. Such rules and regulations may include charges for specific uses of said properties or specific services provided thereon in addition to uniform assessments made of each Member. In addition, such rules and regulations may include rules for the suspension for cause of one or more of the rights and/or privileges of a Member, the dependent members of a Member's family and/or of a Member's guests and tenants, including the voting rights of a Member.

4.08. Votes. Each Member in the Association shall be entitled to cast one vote on all matters on which the Members are entitled to vote. Said vote may be cast by any one of several persons who constitute a Member. No Member who is delinquent in the payment of his assessments to the Association shall be permitted to exercise his voting rights.

4.09. Proxies. At all meetings of Members, a Member may vote by proxy executed in writing by the Member (or all persons constituting a Member) or his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

4.10. Quorum. The holders of one-tenth of all the votes of the Members shall when present in person or proxy, constitute a quorum at all meetings of Members.

4.11. Organization. The President or Vice President shall call meetings of the Members to order and act as Chairman of such meetings. In the absence of said Officers, any Member entitled to vote thereat, may call the meeting to order and a chairman shall be elected.

4.12. Place of Meetings. Meetings of the Members shall be held at the business offices of this Association or at such place as designated by the Board of Directors.

4.13. Annual Meeting. An annual meeting of the Members shall be held at a time fixed by the Board of Directors for the election

of directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as may be possible.

4.14. Regular Meetings. The Association may provide for regular meetings of its Members without notice by establishing a day and/or date, time and place for such regular meetings.

4.15. Special Meetings. Special meetings of the Members for any purpose, unless otherwise prescribed by statute, may be called by the President, by vote of the Board of Directors, or the holders of not less than one-tenth of all the votes of all the Members of the Association.

4.16. Voting List. (a) The officer or agent having charge of the membership records of this Association shall make,, at least ten (10) days before each meeting of Members, a complete list of Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each Member. For a period of ten (10) days prior to such meeting, this list shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original membership records shall be prima facie evidence as to who are the Members entitled to examine such list or to vote at any meeting of Members.

(b) Failure to comply with the requirements of the preceding paragraph shall not affect the validity of any action taken at any such meeting.

Article 5.00 Board of Directors

5.01. Qualification, Number, Election and Term. Each Director of the Association shall be a Member. The number of Directors of the Association and whether their terms shall be staggered or not shall be fixed by the vote of the Board of Directors from time to time. No decrease shall have the effect of shortening the term of any incumbent Director. The number of directors shall never be less than five (5). The Board of Directors shall be elected by the vote of the Members at the annual meeting of Members, and each Director shall be elected to serve for two

years and thereafter until a successor shall be elected and qualified.

5.02. Removal and Vacancies. (a) Any director may be removed, with or without cause, by the greater vote of the Members.

(b) Any Director may resign at any time by giving written notice to the President or to the Secretary of the Association. Such resignation shall take effect at the time specified therein, and, the acceptance of such resignation shall not be necessary to make it effective. Ipsso facto, any director who shall not attend two consecutive regular meetings of the Board without acceptable excuse shall be construed to have submitted his resignation as a director.

(c) Any vacancy in the Board of Directors shall be filled by the majority vote of the remaining Directors (even if same is not a quorum) of the Board of Directors or by the vote of the Members. A Director elected to fill such a vacancy shall serve out the term of the Director whom he replaced.

5.03. Place of Meetings. Meetings of the Directors shall be held at any place designated by the vote of the Board of Directors.

5.04. Annual Meeting. An annual meeting of the Directors shall be held at a time and place immediately after and at the same place as the annual meeting of the Members for the transaction of such business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day.

5.05. Regular Meeting. The Board of Directors, by its vote, may provide for regular meetings without notice by establishing a day or date, time and place for such regular meetings.

5.06 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or by any of its Directors.

5.07. Votes. Each Director shall have one vote.

5.08. Proxies. No Director shall vote by proxy.

5.09. Quorum. A majority of the Directors shall constitute a quorum at all meetings of the Board of Directors.

5.10. Organization. The President (See Article 7.06) shall serve as Chairman of the Board of Directors. The Chairman of the Board shall preside at all meetings of the Board. In his absence, any director may call the meeting to order and preside.

5.11. Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which any action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

5.12. Compensation. By the vote of the Board of Directors, any Director may be paid any one or more of the following: His expenses, if any, of attendance at meetings; his legitimate expenses incurred on behalf of the Association; a fixed sum for the attendance at each meeting; or a stated salary as director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

5.13. Dividends; Loans to Officers and Directors. (a) No dividend shall be paid and no part of the income or profit of the Association shall be distributed to any of its Members, Directors or Officers.

(b) No loans shall be made by the Association to its Directors or Officers. Any Director or Officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

5.14. Director - Conflicts of Interest. (a) No contract or other transaction between the Association and one or more of its Directors or any other corporation, firm, association, or entity in which one or more of its Directors are directors or officers or are financially interested shall be either void or voidable solely because of such relationship or interest or solely because such Directors are present at the meeting of the Board of Directors which authorizes, approves, or ratifies such contract or transaction or solely because their votes are counted for such purpose if:

(1) The fact of such relationship or interest is disclosed or known to the Board of Directors which authorizes, approves or ratified the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested Directors; or

(2) The fact of such relationship or interest is disclosed or known to the Directors entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

(3) The contract or transaction is fair and reasonable to the Association.

(b) Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors which authorizes, approves, or ratifies such contract or transaction.

5.15. Committees. The Board of Directors by its vote may designate and appoint one or more committees, each of which shall have two or more committeemen, which committees shall have the authority granted them by the Board of Directors. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed on him by law.

5.16. Standing Committees. There shall be the following standing committees:

(a) An Architectural Control Committee shall be a committee of three Members, the purpose of which shall be to approve plans and specifications for any structure to be erected or altered on any residential lot in Estate in accord with the Covenants referred to in Article 2.01(a) hereof;

(b) A Recreational Committee shall be a committee of three or more Members, the purpose of which shall be to advise the Board of Directors on all matters pertaining to the recreational programs, facilities and activities of the Association;

(c) A Maintenance Committee shall be a committee of three or more Members, the purpose of which shall be to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the properties owned and/or managed by the Association;

(d) A Publicity Committee shall be a committee of three or more Members, the purpose of which shall be to inform the Members of all activities and functions of the Association;

(e) An Audit Committee shall be a committee of three or more Members, the purpose of which shall be to conduct an annual audit of the financial affairs of the Association;

(f) A Nominating Committee shall be a committee of three or more Members, the purpose of which shall be to make nominations to fill vacancies on the Board of Directors created by the expiration of the terms in office of members of the Board of Directors. Said nominations shall be announced at the annual meeting of the Members. Such nominations shall not preclude nominations from the floor.

5.17. Assessments - Purpose. The assessments and use fees levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members and, in particular, for the improvement and maintenance of the services and facilities devoted to this purpose and to the use and enjoyment of the properties owned and/or managed by the Association.

5.18. Annual Assessments. At least thirty (30) days before the beginning of each fiscal year, the Board of Directors shall set the annual assessment for each residential lot in Estate. Said assessment shall be the same for each said lot and notice of any increase therein shall be given to each Member. If a Member (i.e. the same individual or group of individuals) owns more than one lot in the Estate, the annual assessment for the second lot and any additional lot owned by such Member may be reduced by the Board of Directors. The Board of Directors shall direct that the annual assessment shall be paid by each member in any reasonable manner. The period over which payment of any annual assessment may be made shall not exceed twelve months.

5.19. Special Assessments. In addition to the annual assessment, the Board of Directors may levy a special assessment (payable in any reasonable manner prescribed by the Board of Directors) for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of any of the properties owned and/or managed by the Association. Before proceeding with any acts which would substantially financially prejudice the Association, the Board of Directors shall give written notice of the proposed special assessment to each member. If during the thirty (30) days after said notice is given, a request is made for a special meeting of the Members to consider said special assessment, no further action shall be taken concerning said special assessment until the special meeting of the Members is held.

5.20. Use Fees. The Board of Directors shall from time to time set fees and charges for the use of specific facilities of the Association and/or for specific services of the Association. The Board may allow the use of said facilities and services by persons who are not Members, their dependents or guests for pre-determined charges.

Article 6.00
Valid Acts, Meeting and Notice Thereof

6.01. Valid Acts. (a) Except as provided in Articles 6.01(b) and 6.01(c), for any act to be a valid and enforceable act of the Association, it must be adopted by:

(1) The appropriate vote of the appropriate body at a meeting of the appropriate body at which a quorum is present and of which notice (See Article 6.03) was given to all members of that body or of which notice was waived (See Article 6.04) by all Members of the body to whom such notice was not given; or

(2) A consent act of all members of the appropriate body (See Article 6.05).

(b) An act, which requires the vote of the Board of Directors will be a valid and enforceable act of the Association, if it is adopted by such a vote at a regular meeting of the Board of Directors, such meeting having been established as provided in Article 5.05.

(c) Before an act which requires the greater vote of the voting Members will be a valid and enforceable act of the Association, the notice of the meeting at which it is to be considered and possibly adopted must state that such a matter is to be considered and possibly adopted.

6.02. Notices. Whenever notice is required to be given to any person, it shall be in no way construed to mean personal notice, but such notice shall be given in writing, by mail or telegraph, costs prepaid and addressed to such person at his last known address, and such notice shall be deemed to be given at the time when the same shall be thus deposited in the United States mail or delivered to the telegraph company. If three such consecutive notices are so sent to such a person at his last known address and returned as undeliverable, no further notice need be sent to such person until a good address for such a person is made known to the Association.

6.03. Notice of Meetings. Whenever notice of a meeting is required, such notice shall be given not less than 14 days nor more than thirty days before the date of the meeting and shall state the place, day and hour of the meeting and, if required by Article 6.01(c), the purpose or purposes of the meeting. An exception to the foregoing shall be that meetings of the Board of Directors may be called upon two days notice.

6.04. Waiver of Notice. A written waiver of any notice, signed by the person or persons entitled to said notice whether before, at, or after the time stated therein, or the appearance of such person or persons at such meeting, shall be deemed equivalent to the giving of such notice.

6.05. Consent Act. Any act or acts which may be adopted at a meeting of the Board of Directors or Members may be taken without a meeting if the act or acts are reduced to writing and signed and consented to by all of the Directors or all of the Members, whichever may be appropriate.

6.06. Telephonic Meeting of Directors. Directors may participate in a meeting of the Board of Directors by means of telephone conference or similar communications equipment by which all Directors in the meeting can hear each other at the same time. Such participation shall constitute presence in person at such a meeting. The actions taken at such a meeting shall be memorialized as required of Consent Acts (See Article 6.05).

Article 7.00
Officers

7.01. General. The Officers of the Association shall be president, one or more vice-presidents, as determined by the vote of the Board of Directors, a secretary and a treasurer. By its vote, the Board of Directors may appoint such assistant officers and agents as they may consider necessary, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the vote of the Board of Directors. The salaries, if any, of all the officers of the Association shall be fixed by the vote of the Board of Directors. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by these Bylaws or by the vote of the Board of Directors, such officer, agent or employee shall follow the orders and instructions of the President.

7.02. Qualification. The President and Vice-President shall be Directors. All other officers must be Members.

7.03. Election and Term of Office. The Officers of the Association shall be elected by the vote of the Board of Directors at the annual meeting of the Board. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as possible. Each Officer shall hold office until the first of the following shall occur: Until his successor shall have been duly elected and shall have qualified; until his death; until he shall resign; until he shall have been removed in the manner hereinafter provided.

7.04. Removal. Any Officer or agent may be removed by the vote of the Board of Directors whenever in its judgment the best interest of the Association will be served thereby, but such removal shall be without prejudice to the contract rights as Officer, if any, of the person so removed. Election or appointment of an Officer or agent shall not in itself create contract rights.

7.05. Vacancies. A vacancy in any office, however occurring, may be filled by the vote of the Board of Directors for the unexpired portion of the term.

7.06. President. The President shall, subject to the direction and supervision of the Board of Directors, be the chief executive officer of the Association and shall have general and active control of its affairs and business and general supervision of its officers, agents and employees.

7.07. Vice-Presidents. The Vice-President or Vice-Presidents shall assist the President and shall perform such duties as may be assigned them by the President or by the Board of Directors. In the absence of the President, the Vice-President designated by the Board of Directors (or if there be no such designation designated in writing by the President) shall have the powers and perform the duties of the President.

7.08. Secretary. The Secretary shall: (a) keep the minutes of all meetings of the Members and the Board of Directors; (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 membership records; (d) keep at its registered office or principal place of business a record containing the names and addresses of all Members; (e) sign with the President, or a Vice-President, certificates evidencing membership in the Association, the issuance of which shall have been properly authorized; and (f) in general, perform all duties as from time to time may be assigned to him by the President or by the Board of Directors. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

7.09. Treasurer. The Treasurer shall be the principal financial Officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness, and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board of Directors. He shall receive and give receipts for monies paid in on account of the Association and shall pay out the funds on hand for all bills, payrolls and other just debts of the Association of whatever nature upon maturity. The Treasurer shall also be the principal accounting officer of the Association. Subject to the vote of the Board of Directors, he shall prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the President and the Board of Directors statements of account showing the financial position of the Association and the results of its operations. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

Article 8.00
Execution of Instruments
Seal, Fiscal Year & Records

8.01. Execution of Instruments. The President shall have the power to execute on behalf and in the name of the Association any deed, contract, bond, debenture, note or other obligations requiring the signature of an officer of the Association, except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

8.02. Checks and Endorsements. All checks and drafts upon the funds to the credit of the Association in any of its depositories must be signed by its President or such other of its agents as shall from time to time be determined by the President and/or the vote of the Board of Directors, including provisions for the use of facsimile signatures under specified conditions, and all notes, bills receivable, trade acceptances, drafts and other evidences of indebtedness payable to the Association shall, for the purpose of deposit, discount or collection, be endorsed by such officers or agents of the Association as shall from time to time be determined by the President or by the vote of the Board of Directors.

8.03. Seal. The Association may, but need not, have such a seal as may be approved by the vote of its Board of Directors.

8.04. Corporate Records. (a) The Association shall keep complete books and records of account and shall keep minutes of the meetings of the Members and of the Board of Directors; and shall keep at its registered office or principal place of business a record of its Members, giving the names and addresses of all Members.

(b) Any person who shall have been a Member for at least three (3) months immediately preceding his demand upon written demand stating the purpose thereof, shall have the right to examine, in person, or by his agent or attorney, at any reasonable time or times, for any proper purposes, the books and records of account, minutes and record of members of the Association and to make extracts therefrom.

(c) If the Association or any of its officers or agents shall refuse to allow any such member, or his agent, or attorney so to examine and make extracts from its books and records of account, minutes and record of members, for any proper purpose, that individual shall be liable to such Member for any damages incurred by him as a result thereof. It shall be a defense to any action for damages under this Article that the person suing therefor has within two (2) years sold or offered for sale any list of Members or shareholders of an organization or has aided

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or abetted any person in procuring any such list for any such purpose, or has improperly used any information secured through any prior examination of the books and records of account, or minutes, or records of members of shareholders of any organization or was not acting in good faith or with proper purpose in making his demand.

Article 9.00
Miscellaneous and Amendments

9.01. Indemnification of Association Officers, Directors and Agents. (a) The Association may 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 proceedings, 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 is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Association and, with respect to an criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination 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 which he reasonably believed to be in the best interest of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Association may indemnify any person who was or is a party or 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 a judgment in its favor by reason of the fact that he is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in the best interest 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 or misconduct in the performance of his duty to the Association unless and only to the

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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 which such court deems proper.

(c) To the extent that a Director, Officer, employee or agent of the Association has been successful on the merits in defense of any action, suit, or proceeding referred to in Article 9.01(a) and 9.01(b) or in defense of any claim issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under Article 9.01(a) and 9.01(b) (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in said Articles 9.01(a) and 9.01(b). Such determination shall be made by the vote of the Board of Directors who were not parties to such action, suit or proceeding, or, if such a vote is not obtainable, by independent legal counsel in a written opinion, or by the vote of the Members.

(e) Expenses including attorneys' fees incurred in defending civil or criminal action, suit or proceeding may be paid by the Association in advance to the final disposition of such action, suit or proceeding as authorized in Article 9.01(d) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it is ultimately determined that he is entitled to be indemnified by the Association as authorized in this Article 9.01.

(f) The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or who is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article 9.01.

9.02. Amendments. Article 1.01 through 4.03, inclusive, are the Articles of Incorporation of the Association and can only be amended as provided in Article 3.02.8

Article 10.00
Merger, Consolidation and Dissolution

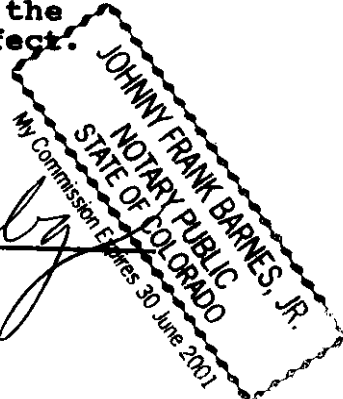
1.01. Merger and Consolidation. The association may merge or consolidate after the provisions of Articles 3.02(b) and 6.00 have been complied with and the provisions of applicable law fulfilled.

Certificate

The undersigned hereby certifies that he or she is duly elected, qualified, and acting secretary of this corporation and that the foregoing Bylaws constitute a true and complete copy of the present Bylaws of this corporation in full force and effect.

Dated: JULY 19, 19 97.

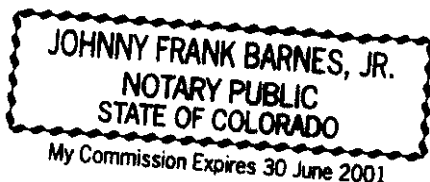
Constantine R. Sulz
Secretary



Subscribed and sworn to before me by the party whose signature appears above who stated to me that the foregoing statements are true to the best of his knowledge at TELLER County, Colorado on July 19th, 19 97.

Witness my hand and official seal.

My commission expires.



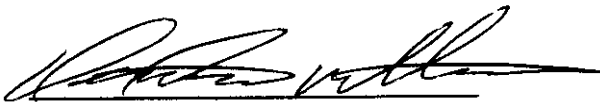
Johnny Frank Barnes Jr
Notary Public
Address: Box BS CCMF
Cripple Creek, CO 80813

**Declaration of Bylaws of
Cripple Creek Mountain Estates
Property Owners Association
July 19, 1997**

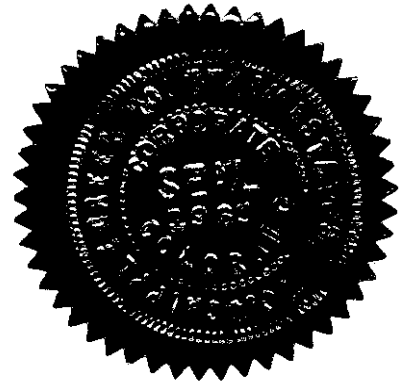
There has been much controversy over whether the 1977 or 1986 Bylaws are the official Bylaws of the Association. Both have been used by past and present Board members. There is nothing in the Minutes of the 1986 Annual Meeting to indicate the acceptance or refusal by the membership vote for changes to the 1977 Bylaws. There is however, a newsletter on file which indicates that changes to the 1977 Bylaws were voted and approved by the majority of the membership. The newsletter being an official publication of the Association is hereby accepted as sufficient evidence that the changes to the 1977 Bylaws are official.

We, the undersigned, being duly elected and appointed officers of the Association, declare that the 1986 Bylaws are the official Bylaws of the Association and supersede all others. This declaration will become the final page to the 1986 Bylaws.

Executed this 19th day of July, 1997.

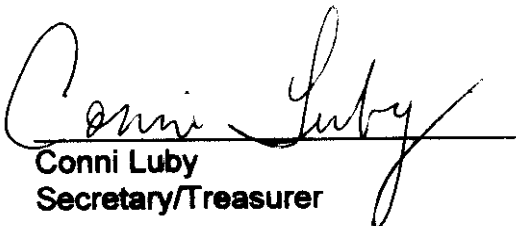


David M. Williams
President



Ron Weber
Vice President

JOHNNY FRANK BARNES, JR.
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 30 June 2001



Conni Luby
Secretary/Treasurer

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CCME BYLAWS
OF
CRIPPLE CREEK
MOUNTAIN ESTATES
PROPERTY OWNERS' ASSOCIATION

502388 03/01/2000 12:32pm Page 1 of 13
Connie Joiner, Clerk & Recorder, Teller County, Colorado

ARTICLE XVII
OVERSIGHT COMMITTEE

SECTION 1. Number. The oversight of association matters shall be evaluated by a committee of five (5) members all of whom shall be voting members. Members on the oversight committee may own vacant land and reside in areas other than the Cripple Creek Mountain Estates Property Owner's Association.

SECTION 2. Election.

(a) Nomination for election to the Oversight Committee shall be made by the Nominating Committee. Nominations may also be made from the floor at the annual meeting.

(b) Election to the Oversight Committee shall be by secret written ballot. At such election the association members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

(c) The members of the Oversight Committee shall be elected for staggered two-year terms, with two members elected on even number years and three members elected on odd number years. In the year of the Oversight Committee's inception, three of the members shall be elected for a one year term.

(d) A Chairperson of the Oversight Committee shall be elected yearly by the Oversight Committee.

(e) Two of the five members of the Oversight Committee must have their primary residence outside of the Cripple Creek Mountain Estates.

SECTION 3. Removal At any meeting of Members, the notice of which indicates such purpose, Oversight Committee Members may be removed in the manner provided in this section. The entire Oversight Committee or any lesser number of Oversight Committee members may be removed with cause by a vote of the members present, in person or by proxy, if a quorum exists. In the event of death, resignation or removal of an Oversight Committee member his or her successor shall be selected by the remaining Oversight Committee members and shall serve for the unexpired term of his or her predecessor.

SECTION 4. Compensation. Members of the Oversight Committee shall not be paid for their services. Oversight Committee members may be reimbursed for their expenses in the course of their official duties on the Oversight Committee.

SECTION 5. Meetings. The Oversight Committee shall meet quarterly either in person or through the use of technology. The Oversight Committee may meet more often if necessary. Minutes of the Oversight Committee meetings shall be made for each meeting of the Oversight Committee. The minutes of the Oversight Committee shall be provided to the association office. Minutes of the Oversight Committee shall be maintained at the association office and available to members upon request. Meetings by the Oversight Committee may or may not be open to the membership.

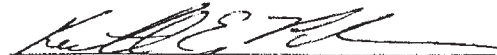
SECTION 6. Duties. It shall be the duty of the Oversight Committee to:

- (a) Evaluate and report to the membership at the annual meeting and in the newsletter immediately preceding the annual meeting the performance of the Board of Directors for the past year.
- (b) Evaluate and report to the membership at the annual meeting and in the newsletter immediately preceding the annual meeting the performance of association office functions for the past year.
- (c) Evaluate and report to the membership at the annual meeting and in the newsletter immediately preceding the annual meeting the quality, quantity, and condition of association amenities.
- (d) Make recommendations to the Board of Directors to remove Directors with cause. Final authority to remove a member of the Board of Directors is delineated in previous articles of these bylaws.
- (e) Set and monitor ethical standards for the Board of Directors and the employees of the association.
- (f) All reports and minutes prepared and presented by the Oversight Committee shall be approved by a majority vote of the oversight committee prior to publication. Dissenting members may publish their objections along with the minutes or report.

SECTION 7. Authority. The Oversight Committee shall have the authority to:

- (a) Attend any meeting of the Board of Directors including executive sessions as defined in Colorado Revised Statutes. Oversight Committee members are required to observe the same confidentiality requirements as the Board of Directors. Oversight Committee member(s) attending shall not be permitted to participate in executive session but may only observe.
- (b) Examine any association record or document, either written or electronic, during the normal business hours of the association.

Article XVII was adopted by a majority vote of a quorum of the eligible members voting by proxy or in person at the annual meeting held on June 12, 2004. This meeting and vote were held in compliance with the Bylaws of the Cripple Creek Mountain Estates Property Owners' Association.


Kenneth E. Poncelow, President

JUNE 28, 2004
Date


David Atkins, Secretary/Treasurer

June 18, 2004
Date

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BYLAWS
OF
CRIPPLE CREEK
MOUNTAIN ESTATES
PROPERTY OWNERS' ASSOCIATION

502388 03/01/2000 12:32PM Page 1 of 13
Connie Joiner, Clerk & Recorder, Teller County, Colorado

Amended & Approved by Membership 6/10/06

ARTICLE I.
NAME, OFFICES AND MEETING PLACES.

The name of the corporation is Cripple Creek Mountain Estates Property Owners' Association, hereinafter referred to as the "Association." The principle office of the Association shall be located at the club house, which is part of the Cripple Creek Mountain Estates, 4453 Teller County One, Cripple Creek, Colorado, 80813. Meetings of members and directors shall be held at the principle office or at such other places within the State of Colorado as shall be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS.

SECTION 1. "Association" shall mean and refer to Cripple Creek Mountain Estates Property Owners' Association, its successors and assigns.

SECTION 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

SECTION 3. "Declarant" shall mean and refer to the Cripple Creek Mountain Estates Property Owners' Association.

SECTION 4. "Covenants" shall mean and refer to the Declaration of Protective Covenants and Restrictions applicable to the Properties and recorded in the office of the Clerk and Recorder of Teller County, Colorado, and shall include all amendments thereto.

SECTION 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or plat of the Properties (as hereinafter defined) with the exception of the Common Area.

SECTION 6. "Owner", hereinafter referred to as "Member," shall mean and refer to the owners of record, whether consisting of one or more persons or entities, of the fee title of any Lot which is part of the Properties, except a person or entity who holds title or interest in any said Lot merely as security for the performance of an obligation.

SECTION 7. "Guest Membership" shall mean and refer to the purchase of, on an annual basis, a limited membership by any contract purchaser(s) or tenant(s) of a Member holding a 6-month lease or longer strictly for the use and enjoyment of facilities owned by the Association.

SECTION 8. "Properties" shall mean and refer to that certain real property described in the Covenants for the Cripple Creek Mountain Estates filings as defined in this section, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 9. "Quorum of the Board" shall mean and is defined as a simple majority of the number of Directors. Under the current By Laws, this number is defined as four of seven.

SECTION 10. "Quorum of the Membership" shall mean and is defined as ten per cent (10%) of the members who are eligible to vote appearing in person or by proxy.

ARTICLE III MEMBERSHIP.

SECTION 1. Membership. Every person or entity who is an Owner of a fee or divided fee interest in any Lot which is subject by the Covenants to assessment by the Association shall be eligible for membership in the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for performance of an obligation. No Member shall have more than one membership. Membership may not be separated from ownership of any Lot which is subject to assessment by the Association. Each member who is in good standing may have voting privileges. The total number of members shall constitute the "Membership."

SECTION 2. Suspension of Membership Rights. Members who are in default of the payment of dues and assessments shall be subject to having all membership privileges suspended by action of the Board of Directors. Membership privileges will be restored only when all dues and assessments are paid in full. Interest will accrue on the amount of any unpaid dues and assessments (including the amount of accrued interest thereon) at the rate of 10% per year. With the approval of the Board of Directors, payment plans may be worked out on a case-by-case basis.

ARTICLE IV. PROPERTY RIGHTS: RIGHTS OF ENJOYMENT.

SECTION 1. Each Member, and their dependents residing with them, shall be entitled to the full use and enjoyment of all properties and facilities owned or controlled by the Association, subject to such rules and regulations for the use thereof as may be established by the Board of Directors. Contract purchasers or tenants of Members holding a 6-month

lease or longer may purchase an annual "Guest Membership," thus allowing such contract purchasers or such tenants use of the facilities. This preserves the right of the Member's continued use and enjoyment of all the properties and facilities at their discretion. Guest members shall not have voting privileges. The Board of Directors shall set the amount of fees for "Guest Memberships." Any such fees paid by tenants or contract purchasers will not be refunded or prorated by the Association.

SECTION 2. The Member shall notify the Secretary of the Association in writing of the name of any such family members or Tenants or contract purchasers. All guest, tenant and contract purchaser Membership privileges are subject to suspension upon the same basis as the Member's or upon suspension of the sponsoring Member's privileges. The Board of Directors may establish rules and regulations for the use and enjoyment of the Common Area and facilities thereon.

SECTION 3. The Board of Directors shall have authority to suspend, for up to one year at a time, the right of any Member (or other person entitled to use the Common Area) to use the Common Area or any individual facility thereon, if the Member (or other person) has failed to follow the rules after written notice from the Board of a violation thereof. Any paid dues will not be refunded when a suspension has occurred.

ARTICLE V. BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE.

SECTION 1. Number. The affairs of this Association shall be managed by a Board of Directors comprised of seven (7) directors all of whom must be voting Members.

SECTION 2. Election.

- (a) The members of the Board of Directors shall be elected for staggered 3-year terms. Office may be held for two consecutive terms, for a total of six (6) years. At the end of their tenure, they will be required to step down for one (1) year before being allowed to run again. However, in the extreme event there is not a qualified candidate as determined by the Nominating Committee, the Nominating Committee may recommend that person for re-election to the Board. The 3-year terms of office will be effective beginning with the 2007-2008 fiscal year election.
- (b) President of the Board of Directors shall be elected yearly by the Board of Directors.

ARTICLE VI. MEETINGS OF DIRECTORS.

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors, hereinafter referred to as "regularly scheduled monthly meetings", shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Notice of regularly scheduled monthly meetings shall be posted according to law. A Quorum of the Board is required for the transaction of business. Acts or decisions may be taken or made by a majority vote of all directors present either in person or by proxy. Absent directors may issue a proxy vote; however, that vote must be for an agenda item only and shall be considered binding.

SECTION 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two directors, upon not less than three (3) days notice to each director.

ARTICLE VII. NOMINATION AND ELECTION OF DIRECTORS.

SECTION 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee for the next year shall be proposed by the Board of Directors at each annual meeting of the Members. The Nominating Committee shall serve from the close of the annual meeting until the close of the next annual meeting and such appointment shall be announced at the annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine necessary, but not less than the number of vacancies that are to be filled on the Board of Directors.

SECTION 2. Duties. The Nominating Committee shall perform due diligence on all submitted nominations. The Committee shall then recommend a slate of officers for each vacancy. This recommendation to the Membership shall constitute the proposed slate of candidates. All other nominees will also be placed on the ballot for consideration by the Membership.

SECTION 3. Election. Election to the Board of Directors shall be by secret written ballot. Votes may be cast by the Member or their proxy. The persons receiving the largest number of votes shall be elected. The Oversight Committee will facilitate the counting of the votes; and, if necessary, designate person(s) to assist. The decision is final unless there is overwhelming evidence of misconduct. If such a situation occurs, a recount may be conducted at the discretion of the current Board of Directors.

SECTION 4. Eligibility.

- (a) No more than one member of a household may serve on the Board simultaneously.
- (b) No employee of the Association may serve on the Board during the period of employment.
- (c) Only paid in full members of the P.O.A. may serve at the time of election.

ARTICLE VIII.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

SECTION 1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the use of the Common Area and recreational facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to the Association that is not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Covenants.
- (c) Manage, operate, lease, grant easements across, and exercise all powers of a Member with respect to the Common Area. The right to transfer or convey any real property designated as Common Area requires a vote of the membership for approval. In addition, if the granting of a lease was to incur any significant costs for the Association, or the length of the lease is such that Common Area is bound for a significant length of time, or the granting of an easement threatens property rights, then such a proposal must be presented to the Membership for consideration.
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) regularly scheduled monthly meetings of the Board of Directors without a valid excuse approved by the Board of Directors.
- (e) Employ managers, independent contractors and such other employees as the Board of Directors deems necessary, and to prescribe their duties and set their compensation and the terms of their employment or contract.

SECTION 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Act only in the fiduciary interests of the Members, and cause to be kept to complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting.
- (b) Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed, and actively chair at least one committee;
- (c) Fix the amount of the mandatory annual assessment against each Lot at least thirty (30) days prior to the commencement of the fiscal year of the Association.
- (d) Fix the amount of any special assessments or use fees to be charged against all Members for the use of the recreational facilities.
- (e) Send written notice of any special assessment or of any change in the mandatory annual assessment to every Member subject thereto at least thirty (30) days in advance of the effective date of any special assessment or any change in the mandatory annual assessment.
- (f) Bill and collect monthly and special assessments on a monthly, quarterly or annual basis as it deems necessary.
- (g) Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- (h) Cause all officers or employees having fiscal responsibilities bonded, as it may deem appropriate.
- (i) Cause the Common Area and all recreational facilities to be maintained.
- (j) Cause the exterior of all dwellings on Lots to be maintained as set forth in the Covenants.

ARTICLE IX COMMITTEES.

SECTION 1. The Board of Directors shall appoint an Architectural Control Committee, as provided in the Covenants. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. OFFICERS AND MEETINGS OF MEMBERS.

SECTION 1. Duties. The duties of the officers are as follows:

- (a) President The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall co-sign with another officer all leases, mortgages, deeds and other written instruments upon direction by the Board of Directors and may co-sign all checks and promissory notes.
- (b) Vice-President The Vice-President shall act in the place and stead of the president in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice-President by the Board of Directors.
- (c) Secretary The Secretary or his/her designee shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate records showing a current list of the Members; and, keep appropriate records of the Association current and up-to-date.
- (d) Treasurer The Treasurer shall be responsible for overseeing the financial records of the Association. A Procedural Manual has been developed for this position to ensure accurate and efficient operations. The Treasurer will initiate the annual audit of the Association financial records at the end of each fiscal year and will prepare an annual budget and statement of Profit and Loss for the annual meeting.

SECTION 2. Removal. At any meeting of Members, the notice of which indicates such purpose, directors may be removed in the manner provided in this section. The entire Board of Directors or any lesser number of directors may be removed with cause by a vote of the majority of the members present, in person or by proxy, if a Quorum of the Members exists. In the event of death, resignation or removal of a director, or any vacancy for any other reason, a successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his predecessor.

SECTION 3. Compensation. Directors shall receive compensation for time, travel and minor expenses as set by resolution of the Board of Directors or by Policy and Procedure for each regularly scheduled monthly meeting attended.

SECTION 4. Action Taken Without a Meeting. The Board of Directors shall have the right to take any emergency action in the absence of a meeting that it could take at a meeting by obtaining the written approval of all directors, with the exception that any such action may not involve an expenditure or have fiscal impact exceeding \$500.00. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors, but must be ratified by the Board of Directors at the next regularly scheduled monthly meeting.

SECTION 5. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 6. Meetings.

- (a) Annual Meeting of Members. The annual meeting of Members shall be held on the last Saturday in July of each year, at an hour and place designated by the Board of Directors. Notice of each annual meeting of Members shall be given not less than thirty (30) days nor more than sixty (60) days prior to said meeting. A Quorum of the Membership is required to conduct business at the annual meeting of the Members.
- (b) Special Meetings. A special meeting of the Board of Directors may be called to address emergencies that cannot be dealt with at the regularly scheduled monthly meetings. Such meetings shall require a minimum of seven (7) days advance notice posted at the Association office. A written request of twenty-five (25) members in good standing may call a special meeting, if at the discretion of the President, such business cannot be conducted at the regularly scheduled monthly meeting. Special agenda items, submitted by a member in good standing, may be added to the regularly scheduled monthly meeting agenda so long as written advanced notice is received by the President not less than seven (7) days prior to the regularly scheduled monthly meeting.

ARTICLE XI.
ASSESSMENTS AND FEES.

SECTION 1. Failure to pay duly authorized assessments or use fees may lead to a Member being suspended, expelled, or named in a lawsuit for the collection of the indebtedness. A majority vote of the Board of Directors shall determine the action to be taken in each case.

SECTION 2. Purpose of Assessments. The assessments and use fees levied by the Association shall be exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association, and in particular for the improvement and maintenance of the services and facilities devoted to this purpose, including the Common Area.

SECTION 3. Basis of Assessments and Fees. The Board of Directors shall set Assessments in accordance with the size of the membership and the services and facilities that the Association is able to provide such membership. The mandatory annual assessment may be increased by the Board of Directors at not more than ten percent (10%)

of the current assessment. If the Board of Directors recommends an increase of more than ten percent (10%) due to compelling needs, the increase request shall be presented to the Membership for a vote. Members must be in good standing and must be eligible to vote at a meeting in which a Quorum of Members is present in person or by proxy. If an assessment increase is approved by the Membership, the approved assessment will be effective with the next billing cycle. Use fees, such as swimming fees, fishing fees, fitness fees, etc., will be set by the Board of Directors at such a rate as will provide adequate maintenance of the facilities in relation to the extent of their use.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual assessment, a special assessment may be declared, applicable to that year only, which may be collected on a monthly, quarterly or annual basis, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such special assessment shall have the assent of two-thirds (2/3) of the ballots returned in person or by proxy, provided said vote meets the Quorum of the Members requirement. Such vote requires a minimum of thirty (30) days written notice to all Members eligible to vote, and not more sixty (60) days.

ARTICLE XII. BOOKS AND RECORDS.

Information contained within the books, records and papers of the Association shall be subject to inspection during reasonable business hours by any Member or director by written request. Requests for copies of such information shall be filed within 48 hours, if possible, at a reasonable cost to the requesting party. The Covenants, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be obtained free of charge.

- (a) Members of the Board of Directors who are not in charge of office administration are subject to this ruling.
- (b) Under no circumstances will original documents be removed from the principle office of the Association.

ARTICLE XIII CORPORATE SEAL.

The Board of Directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation.

ARTICLE XIV. AMENDMENTS.

SECTION 1. These Bylaws may be amended at a regular or special meeting of the Members, by a majority vote of those eligible to vote at a meeting at which a quorum of Members is present in person or by proxy and for which notice was given that an amendment to these Bylaws would be voted upon.

SECTION 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, except with respect to the number of directors that shall comprise the Board of Directors, the Articles shall control; and in the case of any conflict between the Covenants and these Bylaws, the Bylaws shall control.

SECTION 3. These Bylaws are subject to, and superseded to the extent necessary by the laws of the State of Colorado.

SECTION 4. Typographical and/or grammatical errors may be corrected without membership approval as long as the correction(s) does not change the context of the paragraph. Any corrections so made must be ratified by the Board of Directors at the next regularly scheduled monthly meeting of the Board of Directors.

ARTICLE XV. MISCELLANEOUS.

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

ARTICLE XVI OVERSIGHT COMMITTEE

SECTION 1. Number. The oversight of association matters shall be evaluated by a committee of five (5) members all of whom shall be voting members. Members on the oversight committee may own vacant land and reside in areas other than the Cripple Creek Mountain Estates

SECTION 2. Election.

- (a) Nomination for election to the Oversight Committee shall be made by the Nominating Committee.
- (b) Election to the Oversight Committee shall be by secret written ballot. At such election the association members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Covenants. The persons receiving the largest number of votes shall be elected.
- (c) The members of the Oversight Committee shall be elected for staggered two-year terms, with two members elected on even number years and three members elected on odd number years. In the year of the Oversight Committee's inception, three of the members shall be elected for a one-year term.
- (d) A Chairperson of the Oversight Committee shall be elected yearly by the Oversight Committee.
- (e) The Oversight Committee shall consist of:
 - 1) two (2) members having their primary residence inside Cripple Creek Mountain Estates
 - 2) two (2) members having their primary residence outside Cripple Creek Mountain Estates
 - 3) one (1) member having their primary residence either inside or outside Cripple Creek Mountain Estates

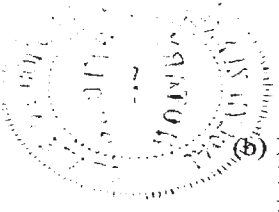
SECTION 3. Removal. At any regularly scheduled monthly meeting of the Board of Directors, the notice of which indicates such purpose, Oversight Committee Members may be removed in the manner provided in this section. The entire Oversight Committee or any lesser number of Oversight Committee members may be removed with cause by a vote of the members present, in person or by proxy, if a quorum exists. In the event of death, resignation or removal of an Oversight Committee member his or her successor shall be selected by the remaining Oversight Committee members and shall serve for the unexpired

term of his or her predecessor. Such successor may not be subject to Section 2.(e)(1-3) listed above.

SECTION 4. Compensation. Members of the Oversight Committee shall not be paid for their services. Oversight Committee members may be reimbursed for their expenses in the course of their official duties on the Oversight Committee.

SECTION 5. Meetings. The Oversight Committee shall meet quarterly either in person or through the use of technology. The Oversight Committee may meet more often if necessary. Minutes of the Oversight Committee meetings shall be made for each meeting of the Oversight Committee. The minutes of the Oversight Committee shall be provided to the association office. Minutes of the Oversight Committee shall be maintained at the association office and available to members upon request. Meetings by the Oversight Committee may or may not be open to the membership.

SECTION 6. Duties. It shall be the duty of the Oversight Committee to:

- 
- (a) Evaluate and report to the membership at the annual meeting and in the newsletter immediately preceding the annual meeting the following:
 - 1) The performance of the Board of Directors for the past year.
 - 2) The performance of the association office functions for the past year.
 - 3) The quality, quantity, and condition of the association amenities.
 - (b) Monitor ethical standards and rules of conduct as established for the Board of Directors and the employees of the association. If necessary, make recommendations to the Board of Directors to remove Directors with cause. The Oversight Committee must be in unanimous accord on this recommendation.
 - (c) All reports and minutes prepared and presented by the Oversight Committee shall be approved by a majority vote of the oversight committee prior to publication. Dissenting members may publish their objections along with the minutes or report.
- SECTION 7. Authority. The Oversight Committee shall have the authority to:
- (a) Attend any meeting of the Board of Directors including executive sessions as defined in Colorado Revised Statutes. Oversight Committee members are required to observe the same confidentiality requirements as the Board of Directors. Oversight Committee member(s) attending shall not be permitted to participate in executive session but may only observe.

- (b) Examine any association record or document, either written or electronic, during the normal business hours of the association.

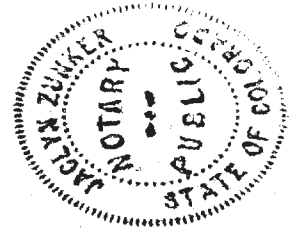
These By Laws of the Cripple Creek Mountain Estates Property Owner's Association are amended June 2006 and supersede all previous By Laws in its entirety.

[Signature] JUNE 10, 2006 [Signature] JUNE 12, 2006
PRESIDENT DATE SECRETARY/TREASURER DATE

Subscribed before me this 10 day of June, 2006.

[Signature]
Notary Public

My Commission Expires
01/19/2009



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Page 1 of 11

Krystal Brown, Clerk & Recorder

Teller County, Colorado

RP \$0.00

08-09-2016 01:16 PM Recording Fee \$61.00

BYLAWS

OF

CRIPPLE CREEK MOUNTAIN ESTATES

PROPERTY OWNERS' ASSOCIATION

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Connie Joiner, Clerk & Recorder, Teller County, Colorado

Amended & Approved by Membership 6/10/06

595332 06/29/2006 01:45 PM Page 1 of 15

Patricia Crowson, Clerk & Recorder, Teller County, Colorado

Amended & Approved by CCME POA Board and by Membership 7/30/16

**ARTICLE I.
NAME, OFFICES AND MEETING PLACES.**

The name of the corporation is Cripple Creek Mountain Estates Property Owners' Association, hereinafter referred to as the "Association." The principle office of the Association shall be located at the club house, which is part of the Cripple Creek Mountain Estates, 4453 Teller County Road 1, Cripple Creek, Colorado, 80813. Meetings of members and directors shall be held at the principle office or at such other places within the State of Colorado as shall be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS.**

SECTION 1. "Association" shall mean and refer to Cripple Creek Mountain Estates Property Owners' Association, its successors and assigns.

SECTION 2. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

SECTION 3. "Declarant" shall mean and refer to the Cripple Creek Mountain Estates Property Owners' Association.

SECTION 4. "Covenants" shall mean and refer to the Declaration of Protective Covenants and Restrictions applicable to the Properties and recorded in the office of the Clerk and Recorder of Teller County, Colorado, and shall include all amendments thereto.

SECTION 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map or plat of the Properties (as hereinafter defined) with the exception of the Common Area.

SECTION 6. "Owner", hereinafter referred to as "Member," shall mean and refer to the owners of record, whether consisting of one or more persons or entities, of the fee title of any Lot which is part of the Properties, except a person or entity who holds title or interest in any said Lot merely as security for the performance of an obligation.

SECTION 7. "Tenant Membership" shall mean and refer to the purchase of, on an annual basis, a limited membership by any contract purchaser(s) or tenant(s) of a Member holding a 6-month lease or longer strictly for the use and enjoyment of facilities owned by the Association.

SECTION 8. "Properties" shall mean and refer to that certain real property described in the Covenants for the Cripple Creek Mountain Estates filings as defined in this section, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 9. Member in Good Standing shall be the same as a member who is "Paid in full." "Paid in full" is defined as no outstanding balance of any kind on the property. A person shall be considered delinquent 30 days past the due date.

SECTION 10. "Quorum of the Board" shall mean and is defined as a simple majority of the number of Directors.

SECTION 11. "Quorum of the Membership" shall mean and is defined as ten per cent (10%) of the members who are eligible to vote appearing in person or by proxy. Eligibility is defined as members who are paid in full by the day prior to the election.

ARTICLE III MEMBERSHIP.

SECTION 1. Membership. Every person or entity who is an Owner of record of any Lot which is subject by the Covenants to assessment by the Association will be a member in the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for performance of an obligation. Membership may not be separated from ownership of any Lot which is subject to assessment by the Association. Each member who is in good standing will have voting privileges which consist of one vote per lot owned. The total number of members shall constitute the "Membership."

SECTION 2. Suspension of Membership Rights. Members who are in default of the payment of assessments shall be subject to having all membership privileges suspended by action of the Board of Directors. Membership privileges will be restored only when assessments are paid in full. Interest and/or finance charges will accrue on the amount of any unpaid assessments (including the amount of accrued interest thereon) at the rate of eighteen (18%) per year. Refer to Amended Collection Policy & Procedure 2004-09.

ARTICLE IV. PROPERTY RIGHTS: RIGHTS OF ENJOYMENT.

SECTION 1. Each Member, and their dependents residing with them, shall be entitled to the full use and enjoyment of all properties and facilities owned or controlled by the Association, subject to such rules and regulations for the use thereof as may be established by the Board of Directors. Contract purchasers or tenants of Members holding a 6-month lease or longer may purchase an annual "Tenant Membership," thus allowing such contract purchasers or such tenants use of the facilities. This preserves the right of the Member's continued use and enjoyment of all the properties and facilities at their discretion. Tenant members shall not have voting privileges. The Board of Directors shall set the amount of fees for "Tenant Memberships." Any such fees paid by tenants or contract purchasers will not be refunded or prorated by the Association.

SECTION 2. The Member shall provide a copy of the lease or contract to the Association. All tenant and contract purchaser Membership privileges are subject to suspension upon the same basis as the Member's or upon suspension of the sponsoring Member's privileges. The Board of Directors has established rules and regulations for the use and enjoyment of the Common Area and facilities thereon.

SECTION 3. The Board of Directors shall have authority to suspend, for up to one year at a time, the right of any Member (or other person entitled to use the Common Area) to use the Common Area or any individual facility thereon, if the Member (or other person) has failed to follow the rules after written notice from the Board of a violation thereof. Any paid fees or assessments will not be refunded when a suspension has occurred and/or cured.

ARTICLE V.

BOARD OF DIRECTORS: SELECTION: TERMS OF OFFICE.

SECTION 1. Number. The affairs of this Association shall be managed by a Board of Directors comprised of five to seven (5-7) directors all of whom must be voting Members.

SECTION 2. Election.

- A. The members of the Board of Directors shall be elected for staggered 3-year terms. Office may be held for two consecutive terms, for a total of six (6) years. At the end of their tenure, they will be required to step down for one (1) year before being allowed to run again. However, in the extreme event there is not a qualified candidate as determined by the Nominating Committee, the Nominating Committee may recommend that person for re-election to the Board.
- B. President of the Board of Directors shall be elected by a majority of the Board of Directors each calendar year in December prior to the new fiscal year. This result shall be reported to the membership at the meeting.

SECTION 3. Removal. At any meeting of Members, the notice of which indicates such purpose, directors may be removed in the manner provided in this section.

- A. The entire Board of Directors or any lesser number of directors may be removed with cause by a vote of the majority of the members present, in person or by proxy at a meeting in which a quorum, as defined in Article II, Section 11, has been established. All votes for removal shall be completed by secret ballot.
- B. In the event of death, resignation or removal of a director, or any vacancy for any other reason, a successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of his or her predecessor.

ARTICLE VI. MEETINGS.

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors, hereinafter referred to as “regularly scheduled monthly meetings,” shall be held monthly at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Notice of regularly scheduled monthly meetings shall be posted according to law.

- A. A Quorum of the Board is required for the transaction of business. Once a Quorum of the Board is established, acts or decisions may be taken or made by a majority vote of all directors present either in person or by proxy. Absent directors may issue a proxy vote; however, that proxy vote is item-specific and must be for an agenda item only and shall be considered binding.
- B. Special agenda items, submitted by a member in Good Standing, may be added to the regularly scheduled monthly meeting agenda so long as written advanced notice is received by the Secretary / Office not less than seven (7) days prior to the regularly scheduled monthly meeting.

SECTION 2. Special Meetings.

- A. A special meeting of the Board of Directors may be called to address emergencies that cannot be dealt with at the regularly scheduled monthly meetings. Such meetings shall require a minimum of seven (7) days advance notice posted at the Association office.
- B. A written request of twenty-five (25) members in good standing may call a special meeting, if at the discretion of the President, such business cannot be conducted at the regularly scheduled monthly meeting.

SECTION 3. Annual Meeting of Members. The annual meeting of Members shall be held each year at an hour and place designated by the Board of Directors.

- A. Notice of each annual meeting of Members shall be given not less than thirty (30) days nor more than sixty (60) days prior to said meeting.
- B. A Quorum of the Membership is required to conduct business at the annual meeting of the Members as defined in Article II, Section 11.

SECTION 4. Action Taken Without a Meeting. The Board of Directors shall have the right to take any emergency action in the absence of a meeting that it could take at a meeting by obtaining the written and/or electronic approval of all directors, with the exception that any such action may not involve expenditure or have fiscal impact exceeding \$500.00. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors, but must be ratified by the Board of Directors at the next regularly scheduled monthly meeting.

ARTICLE VII. NOMINATION AND ELECTION OF DIRECTORS.

SECTION 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations from the floor are not permitted at the Annual Meeting.

- A. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and at least one additional member of the Association.
- B. The Nominating Committee for the next year shall be proposed by the Board of Directors at each Annual Meeting of the Members.
- C. The Nominating Committee shall serve from the close of the Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at the Annual Meeting.
- D. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine necessary, but not less than the number of vacancies that are to be filled on the Board of Directors.

SECTION 2. Duties. The Nominating Committee shall perform due diligence on all submitted nominations. The Committee shall then recommend a slate of officers for each vacancy. This recommendation to the Membership shall constitute the proposed slate of candidates. All other nominees will also be placed on the ballot for consideration by the Membership.

SECTION 3. Election. Election to the Board of Directors shall be by mailed, secret written ballot. Votes are cast by each Member, with one vote per lot owned. The persons receiving the largest number of votes shall be elected.

- A. The Chairman of the Nominating Committee will facilitate the counting of the votes; and, if necessary, designate person(s) to assist.
- B. The decision is final unless there is overwhelming evidence of misconduct. If such a situation occurs, a recount may be conducted at the discretion of the current Board of Directors.

SECTION 4. Eligibility.

- A. No more than one member of a household may serve on the Board simultaneously.
- B. No employee of the Association may serve on the Board during the period of employment.

- C. Only Members in Good Standing of the Association may serve at the time of election.

**ARTICLE VIII.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS.**

SECTION 1. Powers. The Board of Directors shall have the power to:

- A. Adopt and publish rules and regulations governing the use of the Common Area and recreational facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof.
- B. Exercise for the Association all powers, duties and authority vested in or delegated to the Association that is not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Covenants.
- C. Manage, operate, lease, grant easements across, and exercise all powers of a Member with respect to the Common Area. The right to transfer or convey any real property designated as Common Area requires a quorum vote of the Membership, as defined in Article II, Section 11, for approval. In addition, if the granting of a lease was to incur any significant costs for the Association, or the length of the lease is such that Common Area is bound for a significant length of time, or the granting of an easement threatens property rights, then such a proposal must be presented to the Membership for consideration.
- D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) regularly scheduled monthly meetings of the Board of Directors without a valid excuse approved by the Board of Directors.
- E. Employ independent contractors and such other employees as the Board of Directors deems necessary, and to prescribe their duties and set their compensation and the terms of their employment or contract.

SECTION 2. Duties. It shall be the duty of the Board of Directors to:

- A. Act only in the fiduciary interests of the Members, and cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting.
- B. Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed, and actively chair at least one committee;
- C. Fix the amount of the mandatory annual assessment against each Lot at least thirty (30) days prior to the commencement of the fiscal year of the Association.

- D. Fix the amount of any special assessments or use fees to be charged against all Members for the use of the recreational facilities.
- E. Cause the notification of any special assessment or of any change in the mandatory annual assessment to every Member subject thereto at least thirty (30) days in advance of the effective date of any special assessment or any change in the mandatory annual assessment.
- F. Cause the invoicing and collecting of annual assessments. Other special assessments or fee-based activity may be invoiced and collected as necessary.
- G. Procure and maintain adequate liability and hazard insurance on property owned by the Association.
- H. Cause all officers or employees having fiscal responsibilities to be bonded.
- I. Cause the Common Area and all recreational facilities to be maintained.
- J. Cause all properties to be maintained as set forth in the Covenants, Bylaws, and ACC Guidelines.

ARTICLE IX COMMITTEES.

SECTION 1. The Board of Directors shall appoint an Architectural Control Committee, as provided in the Covenants; In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. OFFICERS.

SECTION 1. Duties. The duties of the officers are as follows:

- A. President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall co-sign with another officer all leases, mortgages, deeds and other written instruments upon direction by the Board of Directors and may co-sign all checks and promissory notes.
- B. Vice-President. The Vice-President shall act in the place and stead of the president in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice-President by the Board of Directors. The Vice-President oversees the ACC Committee.

- C. Secretary. The Secretary or his/her designee shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; serve notice of meetings of the Board of Directors and of the Members; keep appropriate records showing a current list of the Members; and, keep appropriate records of the Association current and up-to-date.
- D. Treasurer. The Treasurer shall be responsible for overseeing the financial records of the Association. A Procedural Manual has been developed for the Bookkeeper to ensure accurate and efficient operations. The Treasurer will initiate the annual audit of the Association financial records at the end of each fiscal year and will prepare an annual budget and statement of Profit and Loss for the annual meeting.

SECTION 2. Compensation. Directors shall receive compensation for time, travel and minor expenses as set by resolution of the Board of Directors or by Policy and Procedure for each regularly scheduled monthly meeting attended.

SECTION 3. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer being replaced.

ARTICLE XI. ASSESSMENTS AND FEES.

SECTION 1. Failure to pay duly authorized assessments or use fees may lead to a Member being suspended, expelled, or named in a lawsuit for the collection of the indebtedness. A majority vote of the Board of Directors shall determine the action to be taken in each case.

SECTION 2. Purpose of Assessments. The assessments and use fees levied by the Association shall be exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Members of the Association, and in particular for the improvement and maintenance of the services and facilities devoted to this purpose, including the Common Areas.

SECTION 3. Basis of Assessments and Fees. The Board of Directors shall set Assessments in accordance with the size of the membership and the services and facilities that the Association is able to provide such membership. The mandatory annual assessment may be increased by the Board of Directors at not more than ten percent (10%) of the current assessment. If the Board of Directors recommends an increase of more than ten percent (10%) due to compelling needs, the increase request shall be presented to the Membership for a vote. Members must be in Good Standing and must be eligible to vote by written ballot. If an assessment increase larger than ten per cent (10%) is approved by the Membership, the approved assessment will be effective with the next billing cycle. Use fees, such as swimming fees, fitness fees, etc., will be set by the Board of Directors at such a rate as will provide adequate maintenance of the facilities in relation to the extent of their use.

SECTION 4. Special Assessments for Capital Improvements. In addition to the annual assessment, a special assessment may be declared, applicable to that year only, which may be collected on a monthly, quarterly or annual basis, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such special assessment shall have the assent of fifty-one percent (51%), as provided for in the Covenants, of the ballots returned by mail, in person or by proxy, provided said vote meets the Quorum of the Members, as defined in Article II, Section 11. Such vote requires a minimum of thirty (30) days and a maximum of sixty (60) days written notice to all Members in Good Standing.

ARTICLE XII. BOOKS AND RECORDS.

SECTION 1. Information contained within the books, records and papers of the Association shall be subject to inspection during reasonable business hours by any Member or Director by written request, pursuant to SB 05-100. Requests for copies of such information shall be filled within 48 hours, if possible, at a reasonable cost to the requesting party.

SECTION 2. The Covenants, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principle office of the Association, where copies may be obtained free of charge.

- A. Members of the Board of Directors who are not in charge of office administration are subject to this ruling.
- B. Under no circumstances will original documents be removed from the principle office of the Association.

ARTICLE XIII. AMENDMENTS.

SECTION 1. These Bylaws may be amended at a regular or special meeting of the Board of Directors, or of the Members, at which proper notice was given and a quorum of the Board or Members is present in person or by proxy. Once a quorum is established, a majority ~~vote~~ of those eligible to vote is required to these Bylaws.

SECTION 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, except with respect to the number of directors that shall comprise the Board of Directors, the Articles shall control; and in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

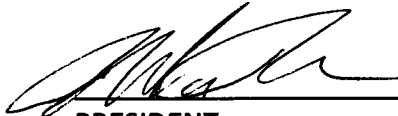
SECTION 3. These Bylaws are subject to, and superseded to the extent necessary by the laws of the State of Colorado.

SECTION 4. Typographical and/or grammatical errors may be corrected without membership approval as long as the correction(s) does not change the context of the paragraph. Any corrections so made must be ratified by the Board of Directors at the next regularly scheduled monthly meeting of the Board of Directors.

ARTICLE XIV.
MISCELLANEOUS.

SECTION 1. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

SECTION 2. These Bylaws of the Cripple Creek Mountain Estates Property Owners' Association are amended July 30, 2016 and supersede all previous Bylaws in its entirety.

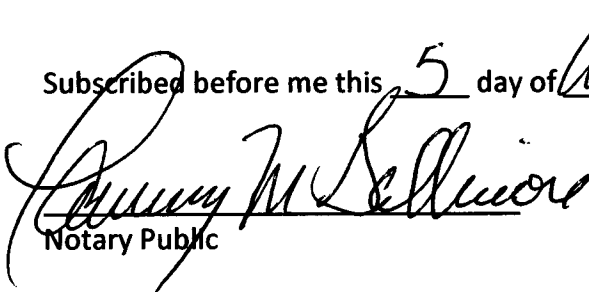
 8/5/16

PRESIDENT DATE

 8/5/16

SECRETARY/TREASURER DATE

Subscribed before me this 5 day of August, 2016.



Notary Public

