

**BYLAWS
OF
BONANZA RANCH PROPERTY OWNERS ASSOCIATION, INC.
(A Colorado Nonprofit Corporation)**

The name of the Corporation shall be Bonanza Ranch Property Owners Association, Inc., a Colorado Nonprofit Corporation (the "Association"). These are the Bylaws of Bonanza Ranch Property Owners Association, Inc., which shall operate under the Colorado Revised Nonprofit Corporation Act, Title 7, Articles 121 through 137, as amended.

**ARTICLE I
DEFINITIONS**

- A. "CRNCA" shall mean and refer to the Colorado Revised Nonprofit Corporation Act, Title 7, Articles 121 through 137, as amended.
- B. "Rules and Regulations" shall mean and refer to all written Rules and Regulations enacted by the Board of Directors by resolution pursuant to the provisions of these Bylaws.
- C. "Common Property" shall mean and refer to all real and personal property owned by the Association, or by the owners of Parcels as common areas, or property upon which the owners of Parcels share reciprocal easements or rights of way, including, but not limited to, any roads or common areas described in the Declaration of Protective Covenants for The Bonanza Ranch, or shown on the Plat of The Bonanza Ranch, recorded in the Records of Saguache County, as each may be amended.
- D. The "Vote" shall mean and refer to the vote allocated to a Parcel within The Bonanza Ranch.

**ARTICLE II
OFFICES**

A. **BUSINESS OFFICES.** The principal office address of the Association in the State of Colorado shall be the principal office mailing address set forth in the most current annual report on file with the Colorado Secretary of State's Office, or such other principal office address as defined by the CRNCA. It is recognized that the Association does not have a physical office at the time of the adoption of these Bylaws. Accordingly, references to the "principal office" in these Bylaws and in the CRNCA shall also mean and refer to the principal office mailing address of the Association as set forth in the most current annual report on file with the Colorado Secretary of State's Office. The Association may have such other offices, either within or without the State of Colorado, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

B. **REGISTERED OFFICE.** The Association shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the CRNCA. The registered office may be changed from time to time by the Board of Directors.

**ARTICLE III
MEMBERS**

A. **MEMBERSHIP.** Ownership of a finally platted lot or parcel within The Bonanza Ranch ("Parcel") is required in order to qualify for membership in the Association.

B. **REPRESENTATION ON BOARD OF DIRECTORS.** Any Owner who is an individual may be a candidate for the Board of Directors. If title to a Parcel is held by a corporation, limited liability company, partnership, or other legal entity or any combination thereof, that entity may appoint, by a writing furnished to the Association, a delegate to represent such Parcel as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate shall not vote as or on behalf of the Owner(s) unless designated as the representative of the owning entity or by Proxy as set forth in these Bylaws.

C. **RESPONSIBILITIES OF MEMBERS.** Any person, upon becoming an Owner of a Parcel, shall automatically become a member ("Member") of the Association and shall be subject to these Bylaws. Such membership shall terminate without any formal action by the Association whenever such person ceases to own a Parcel, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner arising out of ownership of the Parcel and membership in the Association and the covenants and obligations incident thereto.

D. **MEMBERSHIP CERTIFICATES.** No Certificates of Stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Parcel owners. Such membership cards shall be surrendered to the Secretary of the Association whenever ownership of the Parcel designated on the card shall terminate.

E. **CLASSES OF MEMBERS.** The Association shall have one (1) class of Members.

F. **VOTING RIGHTS.** Each Parcel shall be allocated one (1) vote on the affairs of the Association. The Association shall not have a vote with respect to any Parcel which may be owned by it. Owners shall be entitled to one (1) vote for each Parcel they own.

G. **MULTIPLE OWNERS.** If only one (1) of several owners of a Parcel is present at a meeting of the Association, the Owner present is entitled to cast the Vote. If more than one (1) of the owners of a Parcel is present, the Vote may be cast only in accordance with the agreement of a majority of the owners of that Parcel. Majority agreement exists if any one (1) of the owners casts the Vote without protest being made promptly to the person presiding over the meeting by another Owner of that same Parcel.

H. **REPRESENTATIVES.** The Vote of a corporation, limited liability company, or other legal entity, may be cast by an officer, manager or other designated agent of that legal entity in the absence of express notice of the designation of a specific person by the owning company or as set forth in the governing documents of the owning legal entity. The Vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, limited liability company, partnership or other legal entity is qualified to vote.

ARTICLE IV MEETINGS OF MEMBERS

A. **ANNUAL MEETING.** Annual meetings of the Members shall be held on a date and at a time selected by the Board of Directors, for the purpose of electing Directors and for the transaction of any other business as may lawfully come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, 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 conveniently may be held.

B. **SPECIAL MEETINGS.** Special meetings of the Association Members may be called by the President or a majority of the Board of Directors, or by any person designated by the Board to call such meetings.

C. **PLACE OF MEETING.** The Board of Directors of the Association may designate any place within Saguache County, Colorado as the place of meeting for any annual meeting of the Members or for any special meeting of the Members called by the Board.

D. **NOTICE OF MEETINGS.**

(1) The Secretary shall cause notice of all meetings of the Members to be hand-delivered, sent prepaid by United States mail, email, or delivered by any other method of delivery authorized by statute, directed to the mailing address of each Parcel or to any other mailing address designated in writing by the Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient or three (3) days after placing the notice in the United States mail, whichever is earliest.

(2) In addition to the notice set forth in paragraph D (1) above, to the extent possible, the notice of any meeting shall also be posted on the Association's web site (if one exists), and/or posted in a conspicuous place within The Bonanza Ranch (the latter, to the extent that such posting is feasible and practicable). Additionally, all Members who have provided the Association with their e-mail addresses shall be provided notice to that address at least twenty-four (24) hours prior to the time the meeting commences.

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

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

E. **PROXY.** Votes allocated to a Parcel may be cast under a proxy duly executed by a Member. Proxies may be executed and delivered by e-mail, fax, or any form of execution permitted under law. If a Parcel is owned by more than one (1) person, each Owner of the Parcel may vote or register protest to the casting of votes by the other owners of the Parcel through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term.

F. **QUORUM.** Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of the Members possessing sufficient votes to constitute a majority of the Votes of all Members shall constitute a quorum, and such Members present in person or by proxy shall constitute the Members entitled to vote upon any issue lawfully presented at a meeting at which a quorum is present. A majority of votes entitled to be cast by such Members present in person or by proxy shall be sufficient to make decisions binding on all owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles of Incorporation of the Association, or these Bylaws. If a quorum is not present at any meeting of the Members, a majority of the Members present may adjourn the meeting from time to time without further notice.

G. **PROCEDURE.** The Board of Directors shall determine the rules of order and procedure to be followed at meetings.

H. MEETINGS BY TELECOMMUNICATION, VIDEO CONFERENCING. Any or all of the Members may participate in an annual, regular, or special meeting of the Members in person or by proxy, or the meeting may be conducted through the use of any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

I. ACTION BY WRITTEN BALLOT. The Board of Directors may decide that voting of the Members on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to the CRNCA, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter. "Delivery" of ballots to Members, and the Members' return of completed ballots shall be made by the same methods available for providing notice to a Member set forth in Article IV, Paragraph D herein.

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

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

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

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

J. ACTION BY UNANIMOUS CONSENT. In addition to the procedure set forth in Section IV, Paragraph I above, any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if all Members entitled to vote on the action unanimously agree and consent in a signed writing to the action. Such unanimous written consent may be delivered to the Association in counterparts, and may be delivered by mail, facsimile, electronic delivery, or any other means that is permissible under the CRNCA or the Rules and Regulations of the Board of Directors. In accordance with the CRNCA, no action taken by unanimous written consent of the Members shall be effective unless the Association receives written consent of all Members within sixty (60) days of the Association's receipt of the earliest dated written consent. Action taken by unanimous written consent shall be effective when the last writing necessary to effect the action is received by the Association, unless the writing describing and consenting to the action states a different date. Any action taken by unanimous written consent has the same effect as action taken at a meeting of Members and may be described as such in any document. All writings made pursuant to this section shall be filed with the minutes of the meetings of the Members.

ARTICLE V BOARD OF DIRECTORS

A. **GENERAL POWERS.** All corporate powers of the Association shall be exercised by, and the affairs of the Association shall be governed and managed by, the Board of Directors, unless otherwise provided in the CRNCA, the Articles of Incorporation, or these Bylaws.

B. **NUMBER.** The initial Board of Directors is set forth in the Articles of Incorporation. Thereafter, the number of Directors may be increased or decreased; provided, however, the number must be an odd number of not less than three (3) and not more than nine (9).

C. **QUALIFICATION.**

(1) A Director must be an individual who is a Member and eligible to vote.

(2) If any Parcel is owned by a partnership, corporation, limited liability company or other legal entity, any designated officer, partner, member, employee, or other designated agent of that Owner shall be eligible to serve on the Board of Directors and shall be deemed to be a Member for the purposes of the preceding sentence.

(3) A Director whose term is expiring is eligible to serve any number of succeeding terms.

D. **TERMS.** The terms of the Directors shall be one (1) year.

E. **NOMINATING PROCEDURES.** Nomination for election to the Board of Directors may be made by a nominating committee composed of at least three (3) Association Members appointed by the President, who may nominate any nominee by a majority vote of the committee members. Whether or not such nominating committee is formed, nominations may also be made by any other Association Member who is eligible to vote, and any qualified Association Member can also nominate himself or herself for election as Director. Such Member nominations may be made in writing or by email, submitted to the Board at least three (3) days prior to the Members' meeting at which Directors are to be elected, or such Member nominations may be made from the floor at the annual meeting of the Members.

F. **ELECTION PROCEDURES.** Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

G. **VACANCIES.** Vacancies may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be made by a majority of the remaining Directors. Each person so elected or appointed shall serve on the Board of Directors for the remainder of the term of the Director so replaced.

H. **COMPENSATION.** No Director shall receive compensation from the Association for any service rendered to the Association for service as a Director. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties, as determined and approved by the Board of Directors.

I. **REMOVAL OF DIRECTOR.** The Members may remove any Director from of the Board of Directors, with or without cause, by a two-thirds (2/3) vote of all Members present and entitled to vote at any

properly noticed meeting of the Members at which a quorum is present, provided that no Director may be removed from the Board unless the agenda for the meeting includes consideration of removal of the Director as an agenda item. Any vote to remove a Director shall be conducted by secret ballot.

J. **REGULAR MEETINGS.** A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw, immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meetings of the Board without other notice than such resolution. The Board of Directors may also hold meetings (annual, regular or special) by telephone conference call.

K. **SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the President, or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board called by them.

L. **NOTICE OF MEETINGS.** Notice of each meeting of the Board of Directors, whether annual, regular or special, shall be given to each Director. If such notice is given either (a) by personally delivering written notice to a Director, (b) by e-mail, (c) by fax, or (d) by personally telephoning such Director, it shall be so given at least two (2) days prior to the meeting. If such notice is given by depositing a written notice in the United States mail, postage prepaid, in all cases directed to such Director at his residence or place of business, it shall be so given at least thirty (30) days prior to the meeting. The notice of all meetings shall state the place, date and hour thereof.

M. **OPEN MEETINGS.** All regular and special meetings of the Board of Directors, or any committee of the Board authorized to take final action on the Board's behalf, must be open to attendance by all Members or their representatives. The Board of Directors shall make agendas for all such meetings reasonably available for examination in advance by all Members or their representatives. If there is no formal agenda, Members or their representatives shall be entitled to a general description of the purpose of the meeting and the subject matter that will be discussed. Notice to Members of Board meetings and meeting agendas may be made in any reasonable manner as determined by the Board, and may include any one of the methods set forth in Paragraph L above regarding notice to Directors. The Board of Directors shall inform all Members, in writing, at least annually, of the method by which notice of meetings and meeting agendas and other information related to meetings will be provided. The Board of Directors shall give at least thirty days' advance notice of any change in the manner or means by which meeting information will be provided. At an appropriate time determined by the Board of Directors, but before the Board votes on an issue under discussion, the Board shall permit Members or their designated representatives to speak regarding the issue. The Board of Directors may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue.

N. **EXECUTIVE SESSIONS.** The Board of Directors or any committee of the Board may hold an executive or closed-door session and may restrict attendance to Directors and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. Matters for discussion by an executive or closed session are limited to:

(1) Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(2) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;

Investigative proceedings concerning possible or actual criminal misconduct;

(3) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;

(4) Review of or discussion relating to any written or oral communication from legal counsel.

Before the Board of Directors or any committee of the Board convenes in executive session, the chair of the body shall announce the general matter of discussion as enumerated above. Upon the final resolution of any matter for which the Board of Directors received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting. The Board of Directors shall not adopt any change to the Association's Articles of Incorporation or Bylaws during an executive session. Any Articles of Incorporation or Bylaw change may be validly adopted only during a regular or special meeting or after the Board of Directors goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held must indicate that an executive session was held and the general subject matter of the executive session.

O. **PROXY.** For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Directors may vote by directed proxy in this manner on any action taken in accordance with Article V, Section S below. Except as set forth herein, Directors may not vote or otherwise act by proxy.

P. **QUORUM.** A majority of the Board of Directors present in person, or by directed proxy as set forth in Article V, Section O above, shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Q. **MEETINGS BY TELECOMMUNICATION, VIDEO CONFERENCING.** Any or all of the Directors may participate in an annual, regular, or special meeting of the Board of Directors in person or by directed proxy in accordance with Article V, Section O above, or the meeting may be conducted through the use of any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

R. **MANNER OF ACTING.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws. The Board of Directors also may take action in accordance with Article V, Paragraph S herein.

S. **ACTION WITHOUT A MEETING.** Unless these Bylaws or the CRNCA requires the action to be taken at a meeting, any action required or permitted to be taken by the Directors at a meeting of the Board of Directors may be taken without a meeting by obtaining the approval of a majority of Directors in accordance with these Bylaws and the CRNCA. Notice shall be transmitted in writing to each Director, which notice shall state:

- (1) the action to be taken;
- (2) the time by which a Director must respond;
- (3) that failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting; and
- (4) any other matters the Association determines to include.

Any Director who in writing has voted, abstained, or demanded that action not be taken without a meeting pursuant to this section may revoke such vote, abstention, or demand in writing received by the Association by the time stated in the notice. At the end of the time stated in the notice, action taken shall be effective only if the affirmative votes in writing for such action received by the Association and not revoked equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the Directors then in office were present and voted and the Association has not received a written demand by a Director that such action not be taken without a meeting. A Director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Association receives such demand from the Director in writing by the time stated in the notice and such demand has not been revoked. Unless the notice states a different effective date, action taken without a meeting pursuant to this section shall be effective at the end of the time stated in the notice. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors. All writings made pursuant to this section shall be filed with the minutes of the meetings of the Board of Directors.

T. **POWERS.** In addition to those powers granted to the Association pursuant to the CRNCA, the Board of Directors, in its sole discretion and authority, has the power to:

- (1) Adopt and amend the Bylaws and Rules and Regulations for the operation and regulation of Association;
- (2) Establish policies and guidelines necessary to implement the provisions of the Declaration;
- (3) Adopt and amend budgets for revenues, expenditures and reserves;
- (4) Collect assessments for Common Expenses, hereinafter defined in Article XI, from Members;
- (5) Hire and discharge managing agents to perform any duty permitted under applicable law;
- (6) Hire and discharge employees, independent contractors and agents other than managing agents;
- (7) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules and Regulations in the Association's name, on behalf of the Association;
- (8) Enter into contracts and incur liabilities;
- (9) Regulate the use, maintenance, repair, replacement and modification of the Common Property;

- (10) Cause additional improvements to be made as a part of the Common Property;
- (11) Borrow funds from any source, acquire, hold, encumber, and pledge and convey, in the Association's name, any right, title or interest to real estate or personal property;
- (12) Grant easements for any period of time, including permanent easements, and grant leases and licenses for no more than one (1) year, through or over the Common Property;
- (13) Impose and receive a payment, fee or charge for services provided to Members and for the use, rental or operation of the Common Property;
- (14) Impose reasonable charges for non-payment or late payment of assessments and levy a reasonable fine, and file and enforce a lien for a delinquency in payment of charges due or for a violation of the Declaration, Bylaws, or Rules and Regulations of the Association;
- (15) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;
- (16) Provide for the indemnification of the Association's officers and the Board of Directors, provide for indemnification of committee members to the extent the Board of Directors deems just and reasonable, and maintain directors' and officers' liability insurance;
- (17) By resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by the CRNCA to be "otherwise set forth in the Bylaws". Such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws;
- (18) Exercise any other powers conferred by the Declaration, the Articles of Incorporation, Bylaws, and the CRNCA;
- (19) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
- (20) Exercise any other power necessary and proper for the governance and operation of the Association;
- (21) By resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain minutes of their actions which are available to Members and the Board of Directors. Actions taken by a committee may be appealed to the Board of Directors by any Member within forty-five (45) days of the date of such action, and, if so appealed, the committee's action must be ratified, modified or rejected by the Board of Directors at its next regular meeting;
- (22) Upon the violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Declaration, after an opportunity to be heard by the Board, the Board of Directors has the following powers:
 - (a) In accordance with and subject to the terms of the Declaration (and any other Association Documents) concerning notice and an opportunity to be heard by the Board, to

enter the Parcel as to which the violation or breach exists to abate any Nuisance, as defined in the Declaration, at the expense of the defaulting Member. The Board of Directors shall not be deemed liable for any manner of trespass by this action; or

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

(23) Adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules and Regulations or of the Declaration. Fines will be levied after notice thereof and an opportunity to be heard. The Board of Directors may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each violation of the Declaration, these Bylaws, Rules or Regulations, including those violations which persist after notice and an opportunity to be heard is given;

(24) Employ a manager or other employees for the Association, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board.

ARTICLE VI DELEGATION OF POWERS OF THE BOARD OF DIRECTORS

The Association may delegate powers of the Board of Directors or Officers relating to collection, deposit, transfer, or disbursement of Association funds to other persons or to a managing agent, and if so, the following shall be required:

(1) That the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars (\$50,000.00) or such higher amount as the Board of Directors may require;

(2) That the other persons or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other Associations managed by the other persons or managing agent and maintain all reserve accounts of each Association so managed separate from operational accounts of the Association;

(3) That an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE VII OFFICERS

A. **OFFICERS.** The officers of the Association shall be a President, one (1) or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one (1) or more Assistant Secretaries and one (1) or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. The same individual may simultaneously hold more than one (1) office. The officers must be members of the Board of Directors.

B. **ELECTION AND TERM OF OFFICE.** The officers of the Association shall be elected at the first meeting of the Board of Directors and thereafter at the next regular meeting of the Board following each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the

Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

C. **REMOVAL.** Upon the affirmative vote of a majority of the Board of Directors, any officer elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Any officer may resign at any time by giving written notice to the President or Secretary.

D. **VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

E. **PRESIDENT.** The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall insure that the orders and the resolutions of the Board of Directors are carried out. He shall preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association, leases, mortgages, deeds, contracts or other instruments which the Board of Directors has authorized to be executed, including preparing, executing, ratifying, and recording amendments to the Declaration on behalf of the Association, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by Statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

F. **VICE PRESIDENT.** In the absence of the President or in event of his inability or refusal to act, the Vice President (or in the event there be more than one (1) Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

G. **TREASURER.** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors, keep proper books of account, and at the direction of the Board prepare an annual budget and a statement of income and expenditures to be presented to the membership.

H. **SECRETARY.** The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one (1) or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws; keep a register of the post-office address of each Member which shall be furnished to the Secretary by such Member and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

I. **ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.** If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

assessment shall be determined by prorating the budgeted amount for Common Expenses, including reasonable reserves, for the next fiscal year for all Parcels, subject to the limitations set forth in the Declaration. A Member shall be deemed to be in good standing and entitled to vote at any Annual or Special Meeting of the Members within the meanings of these Bylaws, if, and only if, he shall have fully paid all assessments made or levied against him and the Parcel owned by him. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments.

B. **SPECIAL ASSESSMENTS.** In addition to the annual assessments authorized in this Article XI, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Property, including fixtures and personal property related thereto, or for the funding of any operating deficit incurred by the Association.

C. **REGISTRATION OF MAILING ADDRESS.** All owners of each Parcel shall have one and the same registered mailing address to be used by the Association for mailing of notices, demands, and all other communications. Such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association, or other legal entity or such combination thereof to be used by the Association. Such registered address of a Parcel Owner or owners shall be furnished by such owners to the Secretary of the Association within five (5) days after transfer of title. Such registration shall be in written form and signed by all of the owners of the Parcel or by such persons as are authorized by law to represent the interest of all owners thereof. If no such address is registered or if all the owners cannot agree, then the address of the Parcel shall be deemed the registered address for the purposes of this section until another registered address is furnished as required under this section. If the Parcel is the registered address of the owners, then any notice shall have been deemed to be duly given if it is delivered to any person occupying that Parcel, or, if such Parcel is unoccupied, if the notice is held and available for the owners at the principal office of the Association. The registered address may be changed from time to time by designation in accordance with this section. In addition, a Member may designate in writing a fax number for fax transmittal and an e-mail address for electronic transmittal. However, any notice required in these Bylaws shall be given as set forth herein.

ARTICLE XII

BOOKS AND RECORDS: STATEMENT OF ACCOUNT

A. **INSPECTION.** All records required to be kept and made available for inspection pursuant to section 7-136-102 (1) of the CRNCA, as it may be amended from time to time, shall be available for inspection during convenient weekday business hours by the Members, their agents, their attorneys, their lenders, and to holders, insurers or guarantors of first mortgages, upon written demand delivered at least five business days before the date on which the requesting party wishes to inspect and copy such records. While it is acknowledged that the CRNCA requires certain records to be made available at the principal office of the nonprofit corporation, the CRNCA does not provide an alternative when the nonprofit corporation does not maintain a physical principal office, as is the case for the Bonanza Property Owners' Association. Accordingly, such records shall be made available for inspection and copying by electronic means, or at any location or by any other means that is mutually agreeable to the Association and the person or entity making the request to inspect and copy. Copies of electronic records may be made by the requesting party, or, if produced by the Association, they may be purchased at a reasonable cost. Currently, the records which shall be available for inspection include the following: (a) the Articles of Incorporation; (b) the Bylaws; (c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of Members or any class or category of Members; (d) the minutes of all Members' meetings, and records of all action taken by Members without a meeting, for the past three years; (e) all written communications within the past three years to Members generally as Members; (f) a list of the names and business or home addresses of its current Directors and officers; (g) a copy of its most recent periodic report pursuant to part 5 of article 90 of this

title; and (h) all financial statements prepared for periods ending during the past three years. Requests to inspect and copy other Association records shall be subject to the terms of the CRNCA.

B. **STATEMENT OF ACCOUNT.** Upon ten (10) days notice to the Board of Directors, or to the managing agent, if any, and payment of a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

ARTICLE XIII CORPORATE SEAL

The Board of Directors may adopt a corporate seal, which shall be in such form as shall be approved by resolution of the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the seal may be made and attested by either the Secretary or an Assistant Secretary for the authentication of contracts or other papers requiring the seal.

ARTICLE XIV WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the CRNCA or under the provisions of the Articles of Incorporation or the Bylaws of the corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XV FISCAL YEAR

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, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XVI DEFINITIONS and CAPITALIZED TERMS

Except as otherwise specifically provided in these Bylaws, all terms used in these Bylaws shall have the same definition as in the CRNCA. Any capitalized terms used herein and not otherwise defined shall have the meaning defined in the Declaration or Articles of the Association.

ARTICLE XVII GENDER

The masculine gender is used in these Bylaws as a matter of convenience only and shall be interpreted to include the feminine and neuter genders as the circumstances indicate.

ARTICLE XVIII CONFLICTS

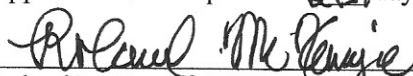
In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws or the Articles of Incorporation of the Association, the Declaration shall control. In the case of any conflict between these Bylaws and the CRNCA or other applicable law, the more restrictive shall control.

ARTICLE XIX

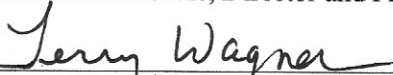
AMENDMENTS

Subject to the provisions and limitations of the CRNCA, the Articles of Incorporation, and the Bylaws, these Bylaws may be amended by a majority vote of the Directors at any regular or special meeting duly called for such purpose, or by action taken by the Directors in accordance with the provisions of Article V, paragraph S, if such action is taken within sixty (60) days of any regular or special meeting duly called to consider the proposed amendment(s) to the Bylaws. In addition, the Members may amend the Bylaws by action taken in accordance the CRNCA. No amendment of these Bylaws shall be adopted which would affect or impair the validity or priority of any mortgage or deed of trust encumbering any Parcel or which would change the provisions of the Bylaws with respect to institutional mortgagees of record.

Approved and Adopted this 21st day of August, 2014:



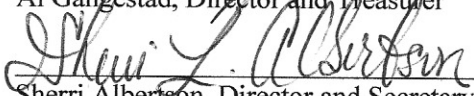
Roland McKenzie, Director and President



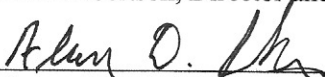
Terry Wagner, Director and Vice President



Al Gangestad, Director and Treasurer



Sherri Albertson, Director and Secretary



Alan Jenks, Director