

BY-LAWS OF CEDAR SPRINGS IMPROVEMENT
ASSOCIATION

ARTICLE I

PLACE OF BUSINESS

The principal place of business of the association shall be located in Larimer County, Colorado, at such location as shall be selected from time to time by the Board of Directors.

ARTICLE II

SEAL

The adopted seal of this corporation shall be an impression seal as follows: "Cedar Springs Improvement Association" in circle, "Seal" through center.

ARTICLE III

OBJECTS AND PURPOSES

The purposes for which this nonprofit association is formed is to promote the health, civic and general welfare of its members and in pursuance of these to maintain and operate roads (both interior and access), buildings, recreational and other facilities, including the fishing lake presently on the premises, together with such incidental objects as are appropriate in the conduct of its activities in Larimer County, Colorado, for the use of the members, their families and such other persons as are approved by the board.

ARTICLE IV

BOARD OF DIRECTORS

Section 1 - Management - The association shall be managed by a board of five (5) directors.

Section 2 - Terms of Directors - Each director shall serve a term of three (3) years provided, however, that the terms of the directors shall be staggered so that the terms of no more than two directors shall expire at any annual meeting of the association. At each annual meeting the members of the association shall elect from among themselves the number of directors whose terms of office have expired. Each director shall continue to hold office until his successor is elected or appointed and qualified.

Section 3 - Duties - Consistent with these by-laws, the board of directors shall:

a) Transact all association business and make and amend rules for the regulation of the use of the association property. It may appoint and remove such non-elected officers, clerks, agents, servants or employees as it may deem necessary and may fix their duties and compensations.

b) Fix, impose and collect penalties for violations of these by-laws and rules of the association.

c) Elect from the board of directors a president, vice-president, secretary and a treasurer.

d) If necessary, create the office of assistant treasurer and others deemed necessary, and appoint one or more persons, who need not be members of the association, to such offices.

e) Constitute and appoint committees each consisting of two or more directors and define the powers and duties of the same.

f) Fill any vacancy in the membership of the board of directors from among the members to serve until the next annual meeting or special meeting of the members, at which time a director shall be elected to serve for the balance of the resigning director's term.

g) Assess annual membership dues, which dues, together with other funds of the association, may be disbursed in such a manner as the board deems proper and in accordance with these by-laws.

Section 4 - Depository - The board shall designate the banks or bank in which the funds of the association shall be deposited and determine the manner in which the checks, drafts and other instruments for the payment of funds of the association shall be executed. However, the board shall always require that at least two (2) officers shall sign all such checks, drafts and other instruments for the payment of money drawn in the name of the association. Annually the two officers approved for signing shall be specified by the board, by name, one of which shall be the treasurer.

Section 5 - Annual Audit - The board shall cause the books of the association to be audited annually by an auditor selected by the directors, who, unless said audit is conducted by a certified public accountant, shall not be a member of the association, and the prepared report shall be available to the members of the association.

Section 6 - Meetings - The board of directors shall meet at least semi-annually, and may meet at such other times and intervals as it may deem necessary. The board of directors shall hold its first meeting within thirty (30) days after the annual meeting of members.

Section 7 - Special Meetings - Special meetings of the board of directors may be called by the president or upon the written request of two (2) members of the board delivered to the secretary, stating the purpose thereof. Said meeting shall be held within thirty (30) days after such meeting is called and upon written notice to all board members.

Section 8 - Quorum - A majority of the number of directors shall constitute a quorum.

Section 9 - Absence of Meeting - The board of directors may act, without convening a general or special meeting, by written resolution, signed by all the members of the board entitled to vote with respect thereto.

Section 10 - Removal - Any member of the board may be removed from office by a two thirds (2/3) majority vote of the membership present in person either at an annual meeting or a special meeting called in accordance with these by-laws, provided a quorum of the members are present, in person or by proxy, at the opening of the meeting. In the event that any member of the board of directors shall permit his membership dues to become delinquent, said director shall automatically be removed from the board.

ARTICLE V

OFFICERS

Section 1 - Officers - The officers of this association shall be president, vice-president, secretary and treasurer. The president, vice-president, secretary and treasurer shall be elected annually by the board of directors from among its members and shall hold office until the end of the first meeting of the board following the annual meeting of the association.

Section 2 - Duties of President - The president shall preside at the meetings of the association and of the board. He shall be the chief administrative officer of the association. He shall appoint, subject to confirmation by the board of directors, all standing and special committees, designating the chairman thereof.

Section 3 - Duties of Vice-President - The vice-president, in the absence or disability of the president, shall act in his stead. He shall, under the direction of the president, attend to the business and financial operations of the organization. He shall be an ex-officio member of all committees.

Section 4 - Duties of Secretary - The secretary shall send out the notices of the meetings of the association and of the board, keep the minutes, maintain the corporate records and attend to the correspondence pertaining to the office as may be required by the board.

Section 5 - Duties of Treasurer - The treasurer shall maintain the books of account of the association, issue notices of dues

payable and be responsible for the collection thereof, deposit funds of the association received by him in the name of the association and disburse said funds at the direction of the board of directors, report on the financial condition of the association and prepare an annual budget for presentation at the regular meeting of the board of directors and at the annual or special meetings of the association, and perform such other duties as may be requested by the board of directors. The treasurer and president, or other officer executing checks, shall be bonded.

ARTICLE VI

DUES AND FEES

Section 1 - Dues:

a) The members, at the regular semi-annual meeting in June, shall establish membership dues, assessments and fees for the ensuing fiscal year. Only persons who have fully paid all membership dues, assessments and fees shall be entitled to use any of the association's facilities.

b) Dues shall be sufficient to provide for the necessary operating expenses of the association, and the proper maintenance and improvement of its property, and such dues shall be payable when billed and are delinquent if not paid by June 30th of said ensuing fiscal year.

c) The annual membership dues shall be assessed per lot exclusive of other assessments and fees as may, from time to time, be established or assessed. Dues shall be cumulative as to members owning more than one lot.

d) No dues or part thereof shall be refunded in the event that any of the operations or facilities are suspended for any period.

Section 2 - Delinquencies - In the event that any member becomes delinquent in the payment of annual dues, assessments, or fees, the board of directors may do any one or more of the following:

a) Sue for said delinquent amount in any court of competent jurisdiction, in which event the association shall be permitted to recover, in addition to said delinquent amount, all costs of collection including interest at the rate of fifteen percent (15%) per annum from the delinquency date, recording fees, attorney fees and court costs.

b) Impose a lien upon the property of each Cedar Springs Estates member whose dues or assessments remain delinquent and unpaid after October 1st of said ensuing fiscal year.

c) Suspend all privileges, including all lake privileges, of each delinquent member.

Section 3 - Liabilities - Each member shall be responsible for the payment of all charges and liabilities that may be imposed or

incurred by members of their family to whom privileges of the association shall have been extended and for all charges and liabilities imposed upon or incurred by guests introduced by them.

Section 4 - Taxes - All membership fees and other charges mentioned herein are exclusive of any excise or other taxes.

ARTICLE VII

MEMBERS

Section 1 - Membership - For the purposes of the conduct of the association "Member" means the person or persons owning a lot in fee simple absolute in Cedar Springs Estates or any of its subsequent filings. Each owner of a lot shall automatically become a member of the association. Said membership is appurtenant to the lot of said owner and title to ownership of the membership for that lot shall automatically pass with fee simple title to the lot. Each owner of a lot shall automatically be entitled to the benefits and subject to the burdens relating to the membership for his lot. If fee simple title to a lot is held by more than one person or entity, each co-tenant of the lot shall be a member of the association. Memberships in the association shall be limited to owners of lots in Cedar Springs Estates and any subsequent filings thereto.

Section 2 - Voting - All members shall be entitled to vote on all matters, each member being entitled to one vote on each matter submitted to a vote of the members. Any member holding title to more than one lot shall be entitled to cast one vote for each such lot owned by that member. If title to any lot shall be held by two or more co-tenants, then each such co-tenant as a member of the association shall be entitled to a fractional vote equal to such co-tenant's fractional ownership of said lot.

Section 3 - Proxies - A member entitled to vote may vote in person or by proxy executed in writing by the member or his duly authorized attorney in fact. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 4 - Semi-Annual Meetings - The association shall meet semi-annually, once in January and again in June of each year at such place and time as the board of directors may determine. The semi-annual meeting in June shall be for the purpose of electing directors, presenting committee reports, establishing dues, assessments and fees, and for the transaction of such other business as may be indicated in the notice or which may be properly brought before it.

Section 5 - Special Meetings - Special meetings of the association may be called by the president, the board of directors, or upon the written request of 20% of the members delivered to the secretary, stating the purpose therefore. Said meeting shall be held within thirty (30) days after written notice has been given to the membership.

Section 6 - Notice of Meetings - Whenever notice to the members shall be required, it shall be given in writing stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, and shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officers, or persons calling the meeting, to each member entitled to vote at that meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the association, with postage thereon prepaid. Each member shall be responsible to provide the association with its correct address and any changes of address.

Section 7 - Quorum - Twenty (20) active members, present in person or by proxy, shall constitute a quorum at all association meetings.

ARTICLE VIII

ACTION WITHOUT A MEETING

Any action required to be taken or which may be taken at a meeting of the members or directors of the association may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members or all of the directors entitled to vote with respect thereto, as the case may be.

ARTICLE IX

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Each person who acts as a director or officer of the association, or any agent of the association given such privileges by the board of directors, shall be indemnified by the association against expenses actually and necessarily incurred by him in the connection with the defense of any action, suit or proceedings in which he is made a party by reason of his being or having been a director or officer of the association, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct, and except any sum paid for the association in settlement of an action, suit or proceeding based upon the gross negligence or willful misconduct in the performance of his duties. The right of indemnification provided herein shall inure to each director and officer, whether or not he is such director or officer at the time such costs or expenses are imposed or incurred, and in the event of his death shall extend to his legal representatives.

ARTICLE X

FISCAL YEAR

The fiscal year of the association shall commence on the first day of July of each year and end on the last day of June of each year.

ARTICLE XI

AMENDMENT

These by-laws may be amended by a two-thirds (2/3) vote of the members present in person or by proxy at any meeting of the association providing at least thirty (30) days notice of such proposed amendment or amendments shall have been given.

CERTIFICATE

The above by-laws were duly adopted at a regular meeting of the board of directors of Cedar Springs Improvement Association on June 24, 1984.

Jane Rushing, Secretary