

BYLAWS
OF
CHALET PARK HOMEOWNERS ASSOCIATION

ARTICLE I

Offices

The principal office of the Chalet Park Homeowners Association (the "association") shall be located in Gilpin County, Colorado. The association may have such other offices, either within or outside Colorado, as the board of directors may designate or as the purposes and objectives of the association may require from time to time.

The association shall have and continuously maintain in the state of Colorado a registered office and a registered agent whose office is identical with the registered office. The registered office may be, but need not be, identical with the principal office in the state of Colorado, and the address of the registered agent may be changed from time to time by the board of directors.

ARTICLE II

Membership

Section I Membership. Membership in the association shall be limited to the record owners of the following described land located in Gilpin County, Colorado:

Chalet Park Filing No. 1

Chalet Park Filing No. 2
County of Gilpin
State of Colorado

One membership in the association shall be issued to each person who owns one or more lots in Chalet Park Filing No. 1 and Chalet Park Filing No. 2. If any such lot is owned by two or more parties, as joint tenants, tenants in common or otherwise, the membership shall be joint, entitled to only one vote, and a single membership for such lot shall be issued in the names of all the record owners and lessees, if any, and their respective spouses, and they shall designate to the association in writing at the time of issuance one party who shall hold the membership and have the power to vote the membership. A person shall have only one membership and be liable for only one assessment regardless of the number of lots which a person owns.

Section 2 Annual meetings. Annual meetings of the membership shall be held on the third Saturday in ¹September in each year, beginning with the year 1995, to elect directors and for the transaction of such other business as may come before the meeting.

Section 3 Special meetings. Special meetings of the membership, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and shall be called by the president at the request of not less than 20 percent of all the members of the association entitled to vote at the meeting.

¹Annual meeting changed from fourth Saturday in June on 4-29-95

Section 4 Day of meeting. If the day fixed for any such meeting shall be a legal holiday in Colorado, such meeting shall be held on the preceding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the membership, or at any adjournment of it, the board of directors shall cause the election to be held at a special meeting of the membership as soon after that as conveniently may be held.

Section 5 Time and place of meeting. The board of directors may designate any time and place for any meeting. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within Colorado, as the place for such meeting.

Section 6 Notice of meetings. Written notice stating the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the protective covenants or bylaws, any budget changes, and any proposal to remove an officer or member of the board, shall be delivered not less than ten nor more than 50 days before the date of the meeting, either by hand or by prepaid United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner.

Section 7 Quorum. Twenty percent of the members of the association entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the membership. A majority of the members so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The members present at a duly organized meeting may continue to transact business until adjournment, despite the withdrawal of enough members to leave less than a quorum. If a quorum is present, the affirmative vote of a majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by law or the articles of incorporation.

Section 8 Proxies. At all meetings of the membership, a member may vote by proxy executed in writing by the member or the member's 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 11 months from the date of its execution, unless otherwise provided in the proxy.

Section 9 Voting. Each member entitled to vote shall be entitled to one vote on each matter submitted to a vote at a meeting of the membership. In the election of directors each member entitled to vote at such election shall have the right to vote for as many persons as there are directors to be elected, and for whose election the member has the right to vote. Cumulative voting shall not be allowed.

Section 10 Informal action by members. Any action required to be taken at a meeting of the membership, or any other action that may be taken at a meeting of the membership, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter of it. Such consent shall have the same force and effect as a unanimous vote of the members, and may be stated as such in any articles or document filed with the Secretary of State of Colorado under the Colorado Nonprofit Corporation Act.

ARTICLE III

Board of Directors

Section 1 General powers. The property, business and affairs of the association shall be managed by its board of directors, except as otherwise provided in the Colorado Nonprofit Corporation Act or the articles of incorporation. Assessments will not be changed without a vote of the membership. The board and the officers may delegate to other persons or to a managing agent all of their powers.

Section 2 Term of Office. At the first annual meeting of the association the

members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years. At each annual meeting thereafter the members shall elect for terms of three years the same number of directors as there are directors whose terms are expiring at the time of each election. At the first annual meeting the candidate for the board of directors who receives the largest number of votes shall be elected for a three-year term, the candidate who receives the next largest number of votes shall be elected for a two-year term, and the candidate who receives the next largest number of votes shall be elected for a one-year term. In the event that more than one director candidate receives an equal number of votes, then the association shall determine the terms of office of such successful director-candidate.

Section 3 Vacancies. At least one month before each annual meeting, the board of directors shall appoint a nominating committee from among the membership, which committee shall propose a slate of nominees to replace the directors whose terms expire at such annual meeting. Additional nominations may be made from the floor during such annual meeting by any member entitled to vote at that meeting. Any director may resign any time by giving written notice to the president or the secretary of the association. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for a term expiring at the next annual meeting of the membership. Any directorship to be filled due to an increase in the number of directors shall be filled by an election at an annual meeting of the membership, and a director so chosen shall hold office for the term specified in Section 2 above.

Section 4 Regular meetings. A regular 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 the membership. The board of directors may provide by resolution the time and place, within Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 5 Special meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place within Colorado as the place for holding any special meeting of the board of directors called by them.

Section 6 Notice. Notice of any special meeting shall be given at least five days previous thereto by written notice delivered personally or mailed to each director at the director's address on record. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

Section 7 Quorum. A majority of the number of directors fixed by Section 2 above shall make up a quorum for the transaction of business at any meeting of the board of directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

²New sentence pertaining to Assessments added 9-16-95.

Section 8 Manner of acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 9 Presumption of assent. A director who is present at a meeting of the board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director's dissent shall be entered in the minutes of the meeting or unless the director shall file written dissent with the person acting as the secretary of the meeting before the adjournment of it or unless the director shall forward such written dissent by registered mail to the secretary of the association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 10 Informal action by directors. Any action required or allowed to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject matter of it. Such consent shall have the same force and effect as a unanimous vote of the directors, and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Nonprofit Corporation Act.

ARTICLE IV

Officers

Section I General. The officers of the association shall be a president, one or more vice presidents, a secretary and a treasurer, who shall also be directors and shall be elected annually by the directors at their regular meeting following the annual meeting of the membership and who shall hold office for terms of one year or until their respective successors are chosen and qualified. The board of directors may also appoint other officers, agents and committees from among the membership, including assistant secretaries and assistant treasurers, as may be deemed 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 decided by 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, committee or employee are not prescribed by the bylaws or by the board of directors, such officer, agent, committee or employee shall follow the orders and instructions of the president.

Section 2 Removal. Any officer may be removed by the board of directors with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer shall not of itself create contract rights.

Section 3 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.

Section 4 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 the general and active control of its affairs and business and general supervision of its officers, agents, committees and employees.

Section 5 Vice President. The vice president shall assist the president and shall perform such duties as may be assigned by the president or by the board of directors. In the absence of the president, the vice president shall have the powers and perform the duties of the president.

Section 6 Secretary. The secretary shall keep the minutes of all proceedings of the membership, of the board of directors, and of the executive committee. The secretary shall cause notices to be given to the membership and directors required by law or by these bylaws. The secretary shall have custody of the seal of the association and shall affix such seal to deeds, contracts and other written instruments when authorized by the board of directors. The secretary shall have charge of the minute book and such other books and papers as the board of directors

may direct, and the secretary shall perform all other duties normally incident to the office of secretary.

Section 7 . 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, invest and discharge the same following the instructions of the board of directors. The treasurer shall receive and give receipts and acceptances for moneys paid in on account of the association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the association of whatever nature. The treasurer shall perform all other duties normally incident to the office of the treasurer. The treasurer shall, if required by the board of directors, give the association a bond in such sums and with such sureties as shall be satisfactory to the directors, conditioned upon the faithful performance of the treasurer's duties and for the restoration to the association in case of the treasurer's death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatever kind in the possession or under the control of the treasurer belonging to the association. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president.

The treasurer shall also be the principal accounting officer of the association. The treasurer shall prescribe and maintain or cause to be maintained 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 and information returns, maintain an adequate system of internal audit as prescribed from time to time by the board of directors, and prepare or cause to be prepared 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.

ARTICLE V

Books and Records

Section I Account books, minutes, etc. The association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its membership, board of directors and committees. All books and records of the association may be inspected by any member, or member's agent or attorney, for any proper purpose at any reasonable time.

ARTICLE VI

Miscellaneous

Section I Waiver of notice. Whenever notice is required by law, by the articles of incorporation or by these bylaws, a waiver of it in writing signed by the director or other person entitled to said notice, whether before, at or after the time stated therein, shall be equivalent to such notice.

Section 2 Seal. The corporate seal of the association shall be circular in form and shall contain the name of the association and the words "Seal, Colorado."

Section 3 Corporate changes. The authority for amendment of the articles of incorporation of the association shall be vested in the board of directors, acting by the affirmative vote of a majority of all of the members of the board at a meeting called upon notice for such purpose.

Section 4 Fiscal year. The association's books of account shall be kept on the basis of a calendar year.

ARTICLE VII

Amendments

The membership of the association shall have the power to make, amend and repeal the bylaws of the association at any annual or regular meeting of the membership or at any special meeting called for that purpose, but such action shall require an affirmative vote of two-thirds of the membership present at such meeting and entitled to vote at such meeting.

IN WITNESS WHEREOF, the undersigned, acting as the duly elected and acting recording secretary of the Chalet Park Homeowners Association, certifies that the above and foregoing was adopted as the Bylaws of said association on _____ day of _____, 1995.

Recording Secretary