

BY-LAWS
OF
MILL IRON 5 RANCH ESTATES SUBDIVISION HOMEOWNERS ASSOCIATION
a Colorado Nonprofit Corporation

ARTICLE I

NAME AND LOCATION: The name of the Corporation is Mill Iron 5 Ranch Estates Subdivision Homeowners Association, a Colorado Nonprofit Corporation, hereinafter referred to as the "Association." The initial principal office of the Corporation shall be located at 247 E. Fourth St., Loveland, CO 80537, but meetings of members and trustees may be held at such places within the State of Colorado as may be designated by the Board of Trustees.

ARTICLE II

Section 1. "Association" shall mean and refer to Mill Iron 5 Ranch Estates Subdivision Homeowners Association, a Colorado Nonprofit Association, its successors and assigns.

Section 2. "Property" shall mean the Mill Iron 5 Ranch Estates Subdivision and all lots and open space contained within the subdivision located within the City of Milliken, County of Weld, State of Colorado.

Section 3. "Member": If more than one person is the Owner of a lot, there may be only one vote per lot on all matters. Therefore, if more than one of the multiple owners are present or wish to vote at a meeting, the votes allocated to that lot may be cast only in accordance with the agreement of a majority in interest of the Owners of said lot. More than one vote per lot will not be allowed regardless of the number of persons who may own a lot.

Section 4. "Open Space" shall mean all real property owned by the Association for the common use and enjoyment of the majority of the owners and denoted as Open Space on the subdivision plat.

ARTICLE III

MEETING OF MEMBERS

Section 1. Annual Meetings. The meetings of the Association shall be held at least once each year.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Executive Board, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of membership.

Section 3. Notice of Meetings. Not less than ten nor more than fifty days in advance of any meeting, the Secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each lot or to any other mailing address designated in writing by the lot Owner. The notice of any meeting must 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 budget changes, and any proposal to remove an officer or member of the Executive Board.

Section 4. Quorum.

(i) Membership Meeting. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of the membership shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum as aforesaid shall be present or be represented.

(ii) Executive Board. A quorum is deemed present throughout any meeting of the Executive Board if persons entitled to cast fifty percent (50%) of the votes on that Board are present at the beginning of the meeting.

ARTICLE IV

EXECUTIVE BOARD MEMBERS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) members, who shall be members of the Association.

Section 2. Term of Office. At the first meeting, the members shall elect three (3) members for a term of one year; and at each annual meeting thereafter the members shall elect three (3) members for a term of one year.

Section 3. Removal. Any Board Member may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Board Member, his successor shall be selected by the remaining members of the Board and shall serve the unexpired term of his predecessor.

Section 4. Compensation. No Board Member shall receive compensation for any service he may render to the Association. However, any Board Member may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken without a Meeting. The Executive Board Member shall have the right to take any action in the absence of a meeting which they could take at a meeting by

obtaining the written approval of all the Board Members. Any action so approved shall have the same effect as though taken at a meeting of the Board Members.

ARTICLE V

NOMINATION AND ELECTION OF BOARD MEMBERS

Section 1. Nomination. Nomination for election to the Executive Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Executive Board and two or more members of the Association. The Nominating Committee shall be appointed by the Executive Board prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Executive Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Executive Board shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, one vote per lot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF EXECUTIVE BOARD

Section 1. Regular Meetings. Regular meetings of the Executive Board shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Executive Board shall be held when called by the President of the Association, or by any Two Executive Board Members, after not less than three (3) days notice to each Executive Board Member.

Section 3. Quorum. A majority of the number of Executive Board shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Executive Board present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

VOTING

Section 1. Proxies. If only one of the multiple owners of a lot is present at a meeting of the Association, such owner is entitled to cast the vote allocated to that lot. If more than one of

the multiple owners are present, the vote allocated to that lot may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration expressly provides otherwise. There is majority agreement if any one of the multiple owners casts the vote allocated to that lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the lot.

Section 2. The votes allocated to a lot may be cast pursuant to a proxy duly executed by a lot owner. If a lot is owned by more than one person, each owner of the lot may vote or register protest to the casting of a vote by the other owners of the lot through a duly executed proxy. A lot owner may not revoke a proxy given pursuant to this section except 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.

Section 3. No vote allocated to a lot or open space owned by the Association may be cast.

ARTICLE VIII

POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 1. Powers. The Executive Board shall have the power to:

- (1) suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- (2) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (3) declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Executive Board;
- (4) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (5) to act through its Board Members, officers and agents, all in accordance with the covenants as may be recorded or as, in the future, may be amended or supplemented;
- (6) to collect from each lot owner all assessments and charges needed to operate the Association and pay the ordinary and necessary expenses of the Association.
- (7) to file or record liens upon any of the lots to secure the payment of assessments and obligations due from the owners of said lots to the Association and to collect, foreclose or otherwise enforce, compromise, release, satisfy and discharge said liens and do all other things necessary to perfect the filing, enforcement and discharge of said liens.

(8) to enter into, make, perform and carry out contracts of every kind and for any lawful purpose pertaining to or incidental to its operation of the Association; to raise money for any of the purposes of the Association.

(9) to make contracts with third parties, firms and corporations and to perform work thereunder, and to make contracts with any of the officers, Board Members or employees of the Association individually and without limitations, restrictions or prejudice, which Contracts, when and if made, shall be considered and construed on the same basis as contracts with third parties, all in furtherance of management, operation, powers and purposes of the Association.

(10) the exercise and enjoyment of all of the rights, powers and privileges conferred upon non-profit corporations organized under the Colorado Nonprofit Corporation Act whether now or hereafter in effect, and whether or not herein specifically mentioned.

(11) To do everything necessary, suitable or proper for the accomplishment of any of its corporate powers or purposes.

Section 2. Duties. It shall be the duty of the Executive Board to:

a. 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 of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;

b. within thirty (30) days after adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the lot Owners and shall set a date for a meeting of the Association to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of all lot Owners or any larger percentage specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the lot Owners must be continued until such time as the lot Owners ratify a subsequent budget proposed by the Executive Board.

c. supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;

d. determine fees and assessments to be assessed to lot for the maintenance and upkeep of the open space, roads and any other Association infrastructure and for required insurance, accounting and legal fees incurred in the conduct of the Association's affairs;

e. send written notice of each assessment to every lot Owner subject thereto at least thirty (30) days in advance of each assessment period;

f. foreclose the lien against any lot for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

g. issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment:

h. procure and maintain adequate liability and hazard insurance on property owned by the Association;

i. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

j. cause the open space and facilities to be maintained.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a President, a Secretary, and a Treasurer, who shall at all times be members of the Executive Board.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Executive Board following such annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Board of Trustees; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and Promissory Notes. The President shall be designated to prepare, execute, certify and record amendments to the covenants on behalf of the Association.

Secretary

(b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board 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 and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. The Secretary shall also act in place and instead of the President in the event of his absence, inability or refusal to act.

Treasurer

(c) 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 Executive Board; shall sign all checks and Promissory Notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by the audit committee at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

The Association shall appoint a Nominating committee, as provided in these By-Laws. In addition, the Executive Board shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the covenants, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days of delinquency interest shall be charged at the rate of 14 percent per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the open space or abandonment of his lot.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Association by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the By-laws shall control; and in the case of any conflict between the covenants and these By-laws, the covenants shall control.

ARTICLE XIV

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.

IN WITNESS WHEREOF, I, James T. McDowell, Jr., President of the Association, hereunto set my hand this 29th day of May, 1999.

James T. McDowell, Jr.