

BY LAWS
OF
THE OAK RIDGE IMPROVEMENT ASSOCIATION, INC.

ARTICLE I

NAME

The name of the corporation is The Oak Ridge Improvement Association, Inc., hereinafter referred to as the "Association".

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to The Oak Ridge Improvement Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Protective Covenants, Oak Ridge Addition to Castle Rock, filed at Book 233, Page 241, Douglas County records, together with such lands as may be included by developer in Oak Ridge Addition #2 to Castle Rock, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by the assent of two-thirds of the votes of the members, said election to be conducted in accordance with the notice and quorum requirements contained in Sections 4 and 6, Article XII hereof.

Section 3. "Common Properties" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Properties.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions applicable to the Properties recorded in the office of the Clerk and Recorder of Douglas County, Colorado.

Section 8. "Developer" shall mean and refer to Chapman Young, Jr., of Castle Rock, Colorado, his heirs, successors and assigns.

Section 9. "Board" shall mean and refer to the initial Board of Directors of the Oak Ridge Improvement Association.

ARTICLE III

MEMBERSHIP

Section 1. Every person or entity who is an owner as defined in Article II, Section 6, above, shall be a member of the Association. No owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association, provided, however, that the Board may grant non-resident membership pursuant to the terms of Section 2 below, and provided further, that membership shall always be available to the Developer, providing he shall pay the same fees as may be charged other non-resident members and abide by all the rules and regulations provided herein or later amended by this Association.

Section 2. Non-Resident Memberships. The Board may grant annual non-resident membership and may set annual fee for such memberships, which may be changed from year to year in the Board's discretion. Said fee shall be payable annually in advance. Non-resident members shall have the same rights and obligations as members; provided, however, that they shall not be eligible to vote at meetings of the Association, nor shall they be subject to the monthly or special assessments provided for hereinafter. All non-resident memberships shall expire on the 30th day of April of each year, and shall be granted anew only by the action of the Board. Non-resident membership may be terminated or suspended by the Board without notice or hearing for violation of any rules or regulations established by the Board governing use of the Common Properties and facilities. In the event of such suspension or termination, the annual fee shall be non-refundable.

Section 3. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assess-

ment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules or regulations established by the Board of Directors governing the use of the Common Properties and facilities.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Properties and facilities to the members of his family, his tenants or contract purchasers, all of whom must reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors.

Section 2. Qualifications of Directors. Directors shall be of legal age, but need not be members, non-resident members or owners.

Section 3. Initial Board. An initial Board, as named in the Articles of Incorporation, shall serve for a term of five (5) years, or until such time as eighty percent (80%) of the total numbered lots within the Oak Ridge Addition to Castle Rock and Oak Ridge Addition #2 to Castle Rock have been sold by Developer, whichever occurs first. The first annual meeting of the Board will be held within ninety (90) days of the date of the adoption of these By-Laws.

Section 4. Election. At the first annual meeting following the occurrence of either of the contingencies set forth in Section 3 above, the members shall elect two (2) directors for a term of two (2) years.

Section 5. Removal. Any director may be removed from the Board, with or without cause, pursuant to the provisions of the Colorado Nonprofit Corporations Act. In the event of death, resignation or removal of a director,

his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties upon presentation to and approval by the Board.

Section 7. Action Taken Without a Meeting. The directors 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 directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly 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 second day which is not a legal holiday.

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

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

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations 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 Board of Directors, and two (2) or more members of the Association. The Nominating Committee

shall be appointed by the Board of Directors at their monthly meeting two (2) months prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors 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 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 the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWER AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Properties and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (d) to fix and cause to be charged, reasonable admission fees or other use fees for the use of any recreational facility;
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and remuneration, if any.

Section 2. Duties. It shall be the duty of the Board of Directors

to:

- (a) cause to be kept a 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) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

- (c) as more fully provided herein, and in the Declaration, to:
- (1) fix the amount of the monthly assessment against each lot at least thirty (30) days in advance of each monthly assessment period, as hereinafter provided in Article XII, and
 - (2) send written notice of each assessment to every owner subject thereto at least five (5) days in advance of each monthly assessment period;
- (d) 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;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) cause the Common Area to be maintained.

ARTICLE IX

COMMITTEES

Section 1. The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within two hundred (200) days of the adoption hereof, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock P.M.. If the day for the annual meeting of the members is a legal

holiday, the meeting will be held at the same hour on the second day following which is not a legal holiday.

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

Section 3. Notice of Annual Meetings. Written notice of each annual meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage pre-paid, at least fifteen (15) days before such meeting to each member entitled to vote there at, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, the day and the hour of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote there at 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.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall, at all times, be members of the Board of Directors; a secretary and a treasurer, and such other officers as the Board may from time to time, by resolution, create.

Section 2. Appointment of Officers by the Board of Directors.

The appointment of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be appointed 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, in which case the Board shall appoint a substitute to serve the remainder of such departing officer's term.

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 by 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. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

President

- (a) The president shall preside at all meetings of the Board of Directors; 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.

Vice-President

- (b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- (c) 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.

Treasurer

- (d) 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; 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 a public accountant 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 XII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration, each member is deemed to covenant and agree to pay to the Association: (1) monthly assessments or charges, and (2) special assessments for capital improvements. The monthly and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and in particular, for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties.

Section 3. Monthly Assessments. Each lot shall be subject to a monthly assessment and it shall be set by the Board of Directors. The Board may raise or lower said monthly assessments as they may deem necessary in their discretion.

Section 4. Special Assessments. In addition to the monthly assessments authorized above, the Board may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying,

in whole or in part, the cost of any construction or re-construction, unexpected repair or replacement of capital improvements, or for any other cause or reason the Board may deem advisable, or any other cause ~~provided~~ that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at an annual meeting of the members or a meeting duly called for this purpose, written notice of which shall be given pursuant to the notice provisions provided in Article X, Section 3 hereof.

Section 5. Uniform Rate. Both monthly and special assessments must be fixed at a uniform rate for all lots.

Section 6. Date of Commencement of Monthly Assessments: Due Dates. The monthly assessment provided for herein shall commence as to all lots on the first day of the month following the conveyance of the Common Properties. The Board of Directors shall fix the amount of the monthly assessment against each lot at least thirty (30) days in advance of said commencement date and any change in the monthly assessment must be fixed by the Board of Directors at least thirty (30) days in advance of the commencement of the changed assessment amount. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing, signed by an officer of the Association, setting forth whether said monthly assessments are current. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of the facts stated therein.

Section 7. Effect of Non-Payment of Assessments: Remedies of the Association. If the assessments are not paid on the date when due, then such assessment shall become delinquent and shall, together with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives and assigns.

If the assessment is not paid within thirty (30) days after the delinquent date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the

same or to foreclose the lien against the property and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 8. Exempt Property. The following property subject to the Declaration shall be exempt from the annual and special assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated to and accepted by the local public authority and devoted to public use: (b) all Common Properties as defined in Article II, Section 3 hereof: (c) all lots held by the Developer for sale.

ARTICLE XIII

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 Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member of the Association, and copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

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

ARTICLE XV

INTERPRETATION

Section 1. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of

January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of Oak Ridge Improvement Association, Inc., have hereunto set our hands this 11th day of October, 1974.

Ernest L. ...
...
James B. ...

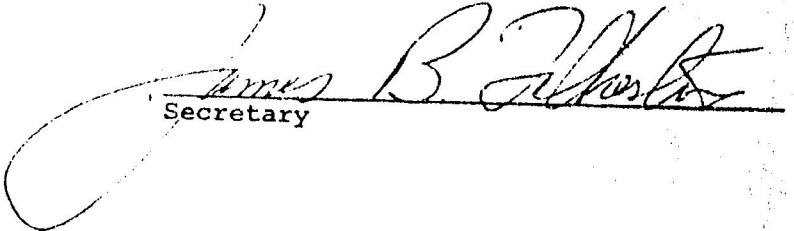
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CERTIFICATION

I, the undersigned, do hereby certify:

That I am the fully elected and acting Secretary of The Oak Ridge Improvement Association, Inc., a Colorado corporation, and,

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 11th day of October, 1974.


Secretary