

EXHIBIT "A"
to
**UNANIMOUS WRITTEN CONSENT IN LIEU OF
ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS**

Huntington Trails Community Association, Inc.

BYLAWS
OF
HUNTINGTON TRAILS
COMMUNITY ASSOCIATION, INC.
A COLORADO NONPROFIT CORPORATION

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**BYLAWS
OF
HUNTINGTON TRAILS
COMMUNITY ASSOCIATION, INC.**

**ARTICLE 1
OBJECT AND DEFINITIONS**

1.1 Purpose. The purposes for which the Huntington Trails Community Association, Inc. (the "Association") is formed are:

(a) To govern and operate the planned community created in accordance with the Colorado Common Interest Ownership Act, as amended (the "Act") and the Declaration for Huntington Trails, a Planned Community located in the City of Westminster, County of Adams, Colorado ("Declaration"), and the Planned Community Map bearing the name Huntington Trails (the "Planned Community"), in accordance with the Act and the Colorado Revised Nonprofit Corporation Act, as amended ("CRNCA");

(b) To promote the health, safety, welfare, and common benefit of the Owners and residents of the Planned Community; and

(c) To be and constitute the Association to which reference is made in the Declaration which is recorded or will be recorded in the office of the Clerk and Recorder of the County of Adams, State of Colorado, relating to the planned community described therein, and to perform all obligations and duties of the Association and to exercise all rights and powers of the Association, as specified therein.

1.2 Owners Subject to Bylaws. All present or future Owners, Owner's Related Users, tenants, future tenants, or any other person that might use in any manner the facilities of the Planned Community are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of any of the Units, or the mere act of use or occupancy of any of the Units Acquisition, shall constitute acceptance and ratification of these Bylaws and shall signify that they will be complied with.

1.3 Definitions. Terms used in these Bylaws are defined by the Declaration and any modification thereto, unless otherwise defined herein.

**ARTICLE 2
MEMBERSHIP, VOTING MAJORITY OF OWNERS, QUORUM, PROXIES**

2.1 Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Any Person on becoming an Owner of a Unit shall automatically become a Member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation to

the Association or impair any rights or remedies which the Association may have against such former Owner arising out of or in any way connected with ownership of a Unit and membership in the Association. No certificates of stock shall be issued by the Association, but the Board may, if it so elects, issue membership cards or certificates to the Owners. Such membership card or certificates shall be surrendered to the Secretary whenever ownership of the Unit designated thereon shall terminate.

2.2 Proof of Ownership. Except for those members who initially purchase a Unit from Declarant, any person on becoming an Owner of a Unit shall furnish to the Board a copy of the recorded instrument vesting that person with an interest or ownership in the Unit, which copy shall remain in the files of the Association.

2.3 Registration of Mailing Address. The Owner of an individual Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a member or members shall be furnished by such member(s) to the Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by the Owner of the Unit or by such persons as are authorized by law to represent the interest of the Owner thereof.

2.4 Voting.

(a) Votes are allocated among the Members as set forth in the Declaration.

(b) Votes allocated to a Unit may be cast under a proxy duly executed by an Owner. 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 provides otherwise. The Secretary of the Association must bring all proxies to each meeting where the Owners are entitled to vote and all proxies shall be available for inspection by the officers of the Association and by any Owner in attendance at such meeting. A proxy need not be an Owner. All proxies must be in writing and may be either general or for a particular meeting.

(c) If ownership of any Unit is held by a corporation, limited liability company, trust, or partnership (general or limited), then in that event, officers, directors, agents, representatives or employees of said entity, when designated in writing to the Association, may be cast by such person for the Owner.

(d) Votes allocated to a Unit owned by the Association may not be cast.

(e) Cumulative voting in the election of the Board shall not be permitted.

2.5 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence at the beginning of any meeting of the Association of persons entitled to cast twenty

percent of the votes which may be cast for election of the executive board are present, in person or by proxy shall constitute a quorum present throughout the meeting.

2.6 Majority Vote. The vote of a majority of the votes allocated to the Owners present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

ARTICLE 3 ASSOCIATION MEETINGS; ACTION WITHOUT MEETING

3.1 Place of Meetings. Meetings of the Owners shall be held at the office of the Declarant during the period of Declarant control or at a location convenient to the Planned Community and the Board Members. Upon termination of Declarant Control meetings shall be conducted at a location convenient to the Planned Community and the Board Members, or at such place within the State of Colorado as the Board may determine, so long as such alternate location is reasonably convenient to the Owners.

3.2 Annual Meeting. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board, provided that such meeting shall occur in each year **within six (6) months of the end of the Association's fiscal year.** Notwithstanding the date of all future annual meetings, the first annual meeting shall be called by the initial Executive Board of the Association and shall be held *within sixty (60) days after recording the Declaration*, at which time officers and directors shall be elected and a budget approved. At such meetings held after Declarant's right to appoint and remove Directors terminates as more particularly set forth in the Declaration, there shall be elected by ballot members of the Board of Directors in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them at these meetings.

3.3 Meeting to Approve Annual Budget. At the annual meeting of the Association or at special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to veto the budget of the projected revenues, expenditures and reserves for the next fiscal year as proposed by the Board. A summary of the proposed budget approved by the Board shall be mailed to the Owners within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held not less than fourteen (14) nor more than fifty (50) days after mailing the summary to the Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA).. Unless seventy five percent (75%) of all Owners reject the proposed budget, the budget is ratified. There are no quorum requirements for this meeting. In the event a proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Board as provided above.

3.4 Special Meetings. The President of the Board may call a special meeting of the members upon his or her own initiative, upon resolution of the Board adopted at a previous meeting, or upon receipt of a written request from at least twenty percent of the Unit Owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of the members present, either in person or by proxy. Any such meetings shall be

held at such place and time as the *President determines*, and if held at the instance of the members, then within thirty (30) days after receipt by the President of such written request.

3.5 *Notice of Association Meetings.*

(a) It shall be the duty of the Secretary of the Association to notify the Owners of the place, date and time of each annual, regular and special meeting of Owners by delivering such notice by first class mail, postage prepaid, by reputable delivery service, or by hand delivery, not less than 14 days nor more than 50 days before the meeting date, or as otherwise set forth in the or the Colorado Common Interest Ownership Act.

(b) The notice of any meeting must state the items on the agenda, including the general nature of any proposed amendment to the Declaration, the Articles or these Bylaws, any proposal to remove an officer or member of the Board and any proposal for revision to the rules and regulations of the Association.

(c) Notice of an annual or regular meeting shall include a description of any of the following matters that must be approved by the Owners or for which the Owners' approval is sought:

(i) A conflict of interest transaction between the Association and a director;

(ii) The indemnification of or advancement of expenses to a director in connection with such indemnification;

(iii) Any amendment of the Articles of Incorporation or Bylaws in which case the notice shall state that one of the purposes of the meeting is to consider the amendment and shall contain a copy or a summary of the amendment;

(iv) Any sale of property of the Association other than in the regular course of business; and

(v) Any proposal to dissolve the Association.

3.6 *Waiver of Notice.* Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. A waiver of notice, signed by both of the Owners before, at, or after any meeting shall be a valid substitute for notice. The certificate of the Secretary of the Association that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof.

3.7 *Adjourned Meetings.* If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, any Owners who are present, may adjourn the meeting from time to time for periods of no longer than one month until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.8 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call or check-in procedure;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and approval of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Appointment of directors by the Owners as set forth in Article 6 of the Articles (when required);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

3.9 Rules of Meetings. The Board may prescribe reasonable rules for the conduct of all meetings of the Owners and Board and in the absence of such rules, Robert's Rules of Order shall be used.

3.10 Action Without Meeting. Any action permitted to be taken at an Owners' meeting may be taken without a meeting if the Owners entitled to vote thereon unanimously agree and consent to such action in writing, pursuant to Section 7-127-107 of the CRNCA.

3.11 Voting by Mail. Except as limited by Section 4.9 below, the Board may decide that voting of the Owners 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 Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.4 above.

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

- (c) All solicitations for votes by written ballot shall:
 - (i) indicate the number of responses needed to meet any quorum requirement; and
 - (ii) state the percentage of approvals necessary to approve each matter; and
 - (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 reach an informed decision on the matter.
- (d) 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.

ARTICLE 4 EXECUTIVE BOARD

4.1 Association Responsibilities. The Association has the responsibility to administer the Planned Community, acting through the Board. In the event of any dispute or disagreement between any Owners relating to the Planned Community, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Board.

4.2 Performance of Functions by Declarant. During the period of Declarant Control, as defined in the Declaration and limited by the Act, the rights, duties and functions of the Board shall, at the Declarant's option, be exercised by the Declarant by and through those persons named as Initial Directors in the Articles of Incorporation.

(a) The period of Declarant control shall terminate no later than either (i) sixty days after conveyance of seventy-five percent of the units that may be created to unit owners other than the Declarant, (ii) two years after the last conveyance of a unit by the declarant in the ordinary course of business, or (iii) two years after any right to add new units was last exercised (the "Turnover Date").

(b) Not later than sixty days after conveyance of twenty-five percent of the units that may be created to unit owners other than the Declarant, at least one member and not less than twenty-five percent of the members of the executive board must be elected by Unit Owners other than the Declarant. Not later than sixty days after conveyance of fifty percent of the Units that may be created to Unit Owners other than the Declarant, not less than thirty-three and one-third percent of the members of the executive board must be elected by Unit Owners other than the Declarant.

(c) The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board before the Turnover Date, but, in that event, the Declarant may require, for the duration of the period of Declarant control, that specified actions of the association or executive board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

4.3 Number and Qualification. At the first meeting occurring after Declarant's rights to appoint and remove Directors terminates, there shall be elected not less than three (3) nor more than five (5) members of the Board who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. In the case of Owners that are entities, the officers, directors, employees, partners or agents of such entities may be members of the Board. The number of directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3) nor more than five (5) members.

4.4 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a planned community project as set forth in the Declaration. The Board may do all such acts and things as are not prohibited by law, the Articles, these Bylaws or the Declaration, or that are not directed to be exercised and done by the Owners directly.

4.5 Other Powers and Duties. In addition to the powers set forth in the Articles, the Board shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws and any Rules and Regulations established for the Community by the Board;

(b) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Planned Community the Common Areas and the Common Elements with the right to amend same from time to time ("Community Rules and Regulations"). The Community Rules and Regulations may be adopted by a majority vote of the Executive Board at any regularly noticed and scheduled meeting of the Unit Owners after Executive Board approval. In the event of an emergency as determined by the Board in its reasonable discretion, the Board may amend or adopt additional Community Rules and Regulations by majority vote at any special meeting of the Executive Board convened for the purpose of amending or adopting additional Community Rules and Regulations. A copy of the Community Rules and Regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof;

(c) To keep in good order, condition and repair all of the Common Elements, Landscaping, open spaces and all items of personal property, if any, used in the enjoyment of the entire Planned Community consistent with managing the Planned Community in a first-class manner;

(d) To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

(e) To periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners or credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies;

(f) To impose penalties and collect Delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

(g) To protect and defend the Planned Community from loss and damage by suit or otherwise;

(h) With the consent of the Owners, to borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Board may deem necessary or desirable; Such indebtedness shall be the several obligation of all of the Association members in the same proportion as their interest in the Common Elements. The persons who shall be authorized to execute promissory notes and security instruments shall be the President and Secretary/Treasurer, but in any case, no encumbrance may be placed on the General Common Elements without the prior consent of not less than 67% of all Unit Owners;

(i) To enter into contracts within the scope of their duties and powers;

(j) To establish bank accounts which are interest bearing or non-interest bearing, as may be deemed advisable by the Board;

(k) To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration;

(l) To prepare and deliver annually to each Owner a statement showing a summary of all receipts, expenses or disbursements since the last such statement;

(m) To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements and any required work with the District on the Common Areas owned by the District; and

(n) In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Planned Community, except as expressly prohibited by the Act.

4.6 *Managing Agent.* The Board may employ for the Association a managing agent (at a compensation established by the Board), to perform such duties and services as it shall authorize. The Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these Bylaws. The managing agent may be an Owner.

4.7 *Election and Term of Office.* At the first meeting of the Association after termination of the period of Declarant Control, the term of office of one Director shall be fixed for one (1) year, the term of office of one Director shall be fixed for two (2) years and the term of office of one Director shall be fixed for three (3) years. If more than three Directors are elected the term of the fourth Director shall be fixed for one (1) year and the term of the fifth Director shall be fixed for a term of two (2) years. At the expiration of the initial term of office of each Director, his or her successor shall be elected to serve a term of two (2) years. Except as is otherwise provided by these Bylaws, the Directors shall hold office until their successors have been elected and hold their first meeting. Each Director shall be elected by an affirmative vote of not less than 67% of all persons entitled to vote in person or by proxy at any meeting of the Unit owners at which a quorum of the Unit votes of the members is present.

4.8 *Vacancies.* Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director for the remainder of such term and until his successor is elected in accordance with Section 4.6 above.

4.9 *Removal of Directors.* At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by 67% of the Unit votes and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to the votes being taken. Written ballots provided pursuant to Section 3.11 above shall not be used for this meeting.

4.10 *Organizational Meeting.* The first meeting of a newly elected Board following each annual meeting of the members shall be held within sixty (60) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

4.11 *Regular Meetings.* Regular meetings of the Board may be held at such time and place as shall be determined from time to time, by a majority of the Directors, but at least one such meeting shall be held during each calendar year. Notice of regular meetings for the Board shall be given to each Director, personally or by mail, telephone, teletype, telegraph, or confirmed electronic mail at least fifteen (15) days prior to the day named for such meeting. The Board may set a schedule of additional regular meetings by resolution and no further notice is necessary to constitute regular meetings.

4.12 *Special Meetings.* Special meetings of the Board may be called by the President, on his or her own initiative, on three (3) days' notice to each director, given personally, or by mail, telephone, teletype, or confirmed electronic mail which notice shall set forth the time,

place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

4.13 Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.14 Board Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Except as provided in Section 4.9, for the purposes of this Article 4, the term "present" shall include attendance in person, by proxy (to the full extent provided by the CRNCA), via telephonic means or communication via real time email.

4.15 Compensation. The members of the Board shall serve as such without salary or compensation. Members of the Board may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Board members in accordance with Article 9.

4.16 Fidelity Bonds and Accounting. The Board shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds or insurance. The premiums on such bonds or insurance shall be a Common Expense paid by the Association. If the Association units delegates powers of the executive board or officers relating to collection, deposit, transfer, or disbursement of association funds to other persons or to a managing agent, the following requirements shall apply:

(a) The other persons or managing agent shall maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Board may require;

(b) The other persons or managing agent shall 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;

(c) An annual accounting for association funds and a financial statement shall be prepared and presented to the association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE 5 OFFICERS

5.1 Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board. Further, the Board may, in its discretion, elect one or more Vice Presidents, an Assistant Secretary and/or an Assistant Treasurer.

5.2 Election of Officers. The officers of the Association shall be elected by the Board at the annual meeting of the Board and shall hold office at the pleasure of the Board. All officers must be members of the Association and the President must be elected from among the Board. One (1) person may hold concurrently more than one office, except that the President may not serve as both President and Secretary.

5.3 President. The President shall be elected from among the Board and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. The President shall have all of the general powers and duties which are usually vested in the office of the president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as may be deemed appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5.4 Vice President. The Vice President shall have all of the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

5.5 Secretary. The Secretary shall keep the minutes of all the meetings of the Board and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board may direct; and shall, in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Unit owned by such member, the percentage assessment allocation of Common Expenses appurtenant to each Unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours in accordance with Article 8 below. In addition, the Secretary shall maintain a list of all First Mortgagee Eligible Holders providing notice to the Association as provided for in Article 12 of the Declaration. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

5.6 Treasurer. The Treasurer shall have responsibility for Association funds, shall have the responsibility for maintaining the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

**ARTICLE 6
INDEMNIFICATION**

6.1 Definitions. For purposes of this Article 6, the following terms shall have the meanings set forth below:

(a) **Proceeding.** Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(b) **Indemnified Party.** Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a member of the Executive Board or officer of the Association, or a member of a committee formed by the Association, who is or was serving at the request of the Association in such capacity, or as a director, officer, member, partner, fiduciary, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving in such capacity.

6.2 Indemnification. Except as provided in paragraph 6.2(f) of this Section 6.2, the Association shall indemnify an Indemnified Party against liability, including without limitation expenses, judgments, fines, amounts paid in settlement actually and reasonably incurred in connection with such Proceeding if:

(a) In the case of a member of the Board or Officer appointed by the Declarant during the period of Declarant control, he or she exercised the care required of fiduciaries of the Unit Owners;

(b) In all other cases that he or she conducted himself in good faith; and

(i) He or she reasonably believed:

(A) In the case of conduct in his or her official capacity with the Association that his or her conduct was in the Association's best interest; or

(B) In all other cases, that his or her conduct was at least not opposed to the Association's best interests;

(c) In the case of any criminal proceeding, he or she had no reasonable cause to believe his conduct was unlawful; or

(d) otherwise to the fullest extent of the law.

(e) The termination of any proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in paragraph 6.2(a) of this Section.

(f) The Association may not indemnify an Indemnified Party under this Section either:

(i) In connection with a Proceeding by or in the right of the Association in which the Indemnified Party was adjudged liable to the Association; or

(ii) In connection with any proceeding charging improper personal benefit to the Indemnified Party, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him.

(iii) In connection with any duties or obligations assumed or liabilities incurred by the Indemnified Party solely by virtue of his ownership or interest in any Unit.

(g) Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds, but if not, the funds shall be raised by a special assessment of the Owners as quickly as possible, without the need of Owners' approval.

6.3 Insurance. The Association shall purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him or her and incurred by him or her in his or her capacity of or arising out of his or her status as an Indemnified Party, whether or not the Association would have the power to indemnify him or her against such liability under applicable provisions of laws.

6.4 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 6, such reasonable requirements and conditions as to the Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

6.5 Non-Liability of the Board, Officers, Committee Members and Declarant. Neither the Board nor Association officers nor committee members, nor the Declarant shall be personally liable to the Owners for any mistake or judgment or for any acts or omissions of any nature whatsoever taken as members of the Executive Board, Association officers, committee members or as Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud.

6.6 Other. Contracts or other commitments made by the Board of Directors or an Officer shall be made as an agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE 7 AMENDMENTS

7.1 *Articles of Incorporation.* The Articles of Incorporation may be amended in the manner provided by law.

7.2 *Bylaws.*

(a) These Bylaws may be amended by the affirmative vote of sixty-seven percent of the members of the Board, provided, however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation, or the Declaration, nor omit any of the particulars required by the Act, or other applicable law. Any meeting therefor shall specify the nature and text of any proposed amendment or amendments, provided that these Bylaws shall at all times comply with the provisions of the Act and the CRNCA.

(b) No amendment of these Bylaws of the Association shall be adopted which would: (i) materially impact or otherwise impair the validity, or in any way impact the priority of any Mortgage; or (ii) change the provisions of the Bylaws with respect to First Mortgagees; (iii) effect any of the provisions for the benefit of Mortgagees as set forth in Article 12 of the Declaration.

7.3 *Preparation of Amendments.* The President and Secretary of the Association may prepare, execute, certify and record amendments to the Declaration.

ARTICLE 8 RIGHT TO INSPECT RECORDS, STATEMENT OF ACCOUNT

8.1 *Records and Audits.* The Association shall maintain financial records. The costs of any audit or review shall be a Common Expense unless otherwise provided in the Act or the Declaration. An audit or review shall be done no less often than every three years, unless otherwise provided for in the Declaration, the Act or as may be determined by the Board.

8.2 *Inspection.* All Owners, Mortgagees and other persons lawfully entitled to inspect the same shall have the right to inspect the Association's and the Board of Directors' business records at reasonable times during business hours.

8.3 *Administrative Charges.* Upon ten (10) days notice to the Board, or to the Manager if one is employed, and payment of a reasonable fee not to exceed \$20.00, any prospective grantee, Owner or Mortgagee of a Unit 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 9 ASSOCIATION NOT-FOR-PROFIT

9.1 *Association Not-for-Profit.* This Association is not organized for profit. No Board of Director Member, Officer or person from whom the Association may receive any

property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or member; provided, however, that:

(a) Nothing herein shall prohibit the Association from compensating a member of the Board, or any entity with which an Board member is affiliated, for services or supplies furnished to the Association in a capacity other than as an Board member pursuant to a contract or agreement with the Association, provided that such Board member's interest was made known to the Board prior to entering into such contract and such contract was approved by the majority of the Board, excluding the interested member of the Board; and

(b) Only reasonable compensation be paid to any member, Director or Officer while acting as an agent or employee of the Association.

(c) Any member, Director or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

9.2 *Manager Compensation Allowed.* The provisions herein are not applicable to the Manager who shall perform his duties and functions according to written agreement for the compensation stated therein.

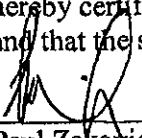
ARTICLE 10 MISCELLANEOUS

10.1 *Notice to Association.* Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of its Unit. The Association shall maintain such information at the office of the Association.

10.2 *Compliance.* These Bylaws are intended to comply with the requirements of the Act and the CRNCA. If any provisions of these Bylaws conflict with the provisions of any of such Acts, as the Acts may be amended from time to time, it is hereby agreed that the provisions of the appropriate Acts will apply.

CERTIFICATION

The undersigned, Secretary of the Huntington Trails Community Association, Inc., hereby certifies that the foregoing Bylaws were duly adopted by the Board of the Association, and that the same are in full force and effect as of the date indicated below.



Paul Zakowich, Secretary

10/12/04

Date