

**BY-LAWS**  
**OF**  
**GRAND WEST ESTATES OWNERS ASSOCIATION**

**ARTICLE I**

**OFFICES**

**SECTION 1. PRINCIPAL OFFICE.** The principal office of the Corporation in the State of Colorado shall be located at 1857 Silver Eagle Court, P.O. Box 957, Leadville, Colorado 80461. The Corporation may have such other offices, either within or without the State of Colorado, as the activities of the Corporation may require from time to time.

**SECTION 2. REGISTERED OFFICE.** The registered office of the Corporation, required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado, may be, but need not be, the same as the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

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**ARTICLE II**  
**MEETINGS**

**SECTION 1. MEMBERSHIP.** Membership in the Association is limited to owners of property in Grand West Estates as is set forth in the Grand West Covenants.

**SECTION 2. ANNUAL MEETING.** The annual meeting of the members shall be held on the 1st day of September each year, beginning with the year 1991 at the hour of 7:30 p.m., or at such other time or on such other day, or both, as shall be fixed by the Board of Directors for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

**SECTION 3. SPECIAL MEETINGS.** Special meetings of the members, for any purpose or purposes unless otherwise proscribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President if not fewer than

one-fourth of the members in good standing entitled to vote at the proposed special meeting shall so request. No business shall be transacted at any special meeting except as shall be stated in the notice for such meeting as set forth in Section 6 of this Article unless all the members entitled to vote at such meeting shall attend such meeting and shall consent in writing to those actions taken at such meeting which were not stated in such notice.

SECTION 4. PLACE OF MEETING. The Board of Directors may designate any place, either within or without the State of Colorado, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, or if a special meeting is called, the place of the meeting shall be the principal office of the Corporation in the State of Colorado, except as otherwise provided in Section 7 of this Article.

SECTION 5. MEETING OF ALL MEMBERS. If all of the members shall meet at any time and place, either within or without the State of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken, provided that a written record signed by all such members of the actions taken at such consensual meeting shall be filed in the records of the Corporation.

SECTION 6. NOTICE OF MEETING. Written notice setting forth the place, date, and time of the meeting of members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall, unless otherwise prescribed by statute, be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary or the officer or other persons calling the meeting, to each member in good standing as of the date of such notice entitled to vote at such meeting as reflected in the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 7. WAIVER OF NOTICE. Whenever any notice is required to be given under the statutes of the State of Colorado pertaining to non-profit corporations or under the provisions of the Articles or By-Laws of this Corporation, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before, at, or after the event or meeting to which such notice pertains, shall be deemed equivalent to such notice.

SECTION 8. MEMBER LIST. The directors shall cause to be kept by the Secretary of the Corporation or by some other person on his behalf a list of all the names and addresses of the members in good standing of the Corporation, which list shall be updated before any



meeting of members or from time to time as otherwise necessary. Such list shall, during the usual business hours of the Corporation, be open for inspection by the members at the office or principal place of business of the Corporation in the State of Colorado. The original list of members shall be the prima facie evidence as to who are the members entitled to examine the record or lists or to vote at any meeting of members.

SECTION 9. QUORUM. A quorum shall consist of one-tenth of the members in good standing according to the records of the Corporation entitled to vote, represented in person or by proxy, unless otherwise provided by the Colorado Nonprofit Corporation Act, provided, however, that if less than one-tenth of the members are represented at said meeting, 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 noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 10. ACT OF MEMBERS. If a quorum is present, the affirmative vote of the majority of the members represented at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater proportion or number or voting by classes is otherwise required by statute or by the Articles of Incorporation or these By-Laws.

SECTION 11. PROXIES. At all meetings of members, a member may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

SECTION 12. VOTING. Unless otherwise provided by these By-Laws or the Articles of Incorporation, each member entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of members.

SECTION 13. VOTING BY CORPORATE OR ASSOCIATION MEMBERS. Memberships held in the name of a corporation or an association, domestic or foreign, may be voted by such officer, agent, or proxy as the By-Laws of such other corporation or association may prescribe, or in the absence of such provision, as the board of directors of such other corporation may determine.

SECTION 14. INFORMAL ACTION BY MEMBERS. Any action required or permitted to be taken at a meeting of members 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 thereof.

ARTICLE 15. MANNER OF VOTING. Voting at any meeting on any question or in any election may be by voice vote unless the presiding officer shall order or any member shall demand that voting be by ballot. Voting may be accomplished by mail in accordance with the provision for voting by mail of the Colorado Nonprofit Corporation Act if so authorized by appropriate resolution of the Board of Directors, in which case voting shall be accomplished by mail in accordance with such resolution and such provision of the Colorado Nonprofit Corporation Act.

ARTICLE III  
DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors.

SECTION 2. PERFORMANCE OF DUTIES. A director of the Corporation shall perform his duties as a director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing his duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons or groups listed in paragraphs (a), (b), and (c) of this Section 2; but he shall not be considered to be acting in good faith if he has actual knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his duties shall not have any liability by reason of being or having been a director of the Corporation, and the Corporation shall indemnify to the full extent permitted by law any director who shall or may incur any personal liability by reason of his actions as a director of the Corporation as set forth in Article XII hereof. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely on are as follows:

a. One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;

b. Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or

c. A committee of the Board on which he does not serve, duly designated in accordance with the provisions of the Articles of

Incorporation or the By-Laws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

**SECTION 3. NUMBER, TENURE, AND QUALIFICATIONS.** The number of directors of the Corporation shall be not less than one nor more than five (5). The number of directors of the Corporation within such limits shall be fixed from time to time by resolution of the Board of Directors, but in no instance shall there be fewer than one director or that number otherwise required by law. The terms of office of directors shall be established by resolution of the Board of Directors but in no event shall any director be elected for a term exceeding three years. In the event multi-year terms shall be established for directors, elections shall be staggered so as to elect to directorships in any given year that number of directors equal to (as near as possible) either one-half or one-third (as appropriate) of the total number of directorships then established. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified. Nothing herein shall prohibit directors from being re-elected to directorships. Directors need not be residents of Colorado but must be members of the Corporation.

**SECTION 4. ANNUAL AND REGULAR MEETINGS.** The annual meeting of the Board of Directors shall be held without other notice than this By-Law immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place, either within or without the State of 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 or more of the directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

**SECTION 6. NOTICE.** Written notice of any special meeting, shall be given at least three days previously thereto to each director at his business address by mail, by telegram, or by personal delivery. If notice is given by mail, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business

because the meeting was 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 authorized by resolution in accordance with Section 3 of this Article at the time any business is transacted shall constitute a quorum for the transaction of business at any meeting of the Board of Directors provided that if the number of directors present be fewer than that number required for a quorum, then, in such event, a majority of the directors present may convene the meeting for the sole purpose of adjourning the meeting to a future date and time, which adjournment may be with or without further notice.

**SECTION 8. MANNER OF ACTING.** Except as otherwise required by law or the Articles of Incorporation or these By-Laws, 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. INFORMAL ACTION BY DIRECTORS.** Any action required or permitted to be taken at a meeting of directors or by a committee thereof at a meeting may be taken without a meeting if 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 thereof.

**SECTION 10. PARTICIPATION BY ELECTRONIC MEANS.** Any member of the Board of Directors or any committee designated by the Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can all hear and speak to each other at the same time. Such participation shall constitute presence in person at the meeting.

**SECTION 11. VACANCIES.** Any vacancy occurring in the Board of Directors by reason of death, resignation, or otherwise shall be filled for the remainder of the term by a majority vote of the remaining directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election by the Board of Directors for a term of office continuing only until the next election of directors by the members.

**SECTION 12. RESIGNATION.** Any director of the Corporation may resign at any time by giving written notice to the President or the Secretary of the Corporation or to the Board of Directors. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such resignation. Unless otherwise specified therein, the acceptance

of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

**SECTION 13. REMOVAL.** Any director or directors of the Corporation may be removed at any time, with or without cause, in the manner provided in the Colorado Nonprofit Corporation Act.

**SECTION 14. COMMITTEES.** By resolution adopted by a majority of the Board of Directors, the directors may designate one or more directors to constitute a committee which shall have such authority in the management of the Corporation as the Board of Directors shall designate and as shall not be proscribed by the Colorado Nonprofit Corporation Act.

**SECTION 15. COMPENSATION.** By resolution of the Board of Directors (as limited by applicable rules and regulations of the Internal Revenue Service and by the Colorado Nonprofit Corporation Code, the Articles of Incorporation, and these By-Laws) and irrespective of any personal interest of any of the members, each director may be paid his expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a stated salary as director or a fixed sum for attendance at each meeting of the Board of Directors or both. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

**SECTION 16. PRESUMPTION TO ASSENT.** A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered or certified mail to the Secretary of the Corporation 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 17. INTERESTED DIRECTOR.** It shall be the duty of each director to disclose to the Board of Directors any transaction concerning the Corporation in which such director has or may have a personal interest, financial or otherwise, either directly or indirectly through another business or other entity in which such director has an interest. However, the individual interest of any director in any matter which shall come before the Board of Directors shall not disqualify such director from voting on such or any other matter, nor shall such interest disqualify such

director from being counted in determining the existence of a quorum at any meeting. No contract or other transaction between the Corporation and one or more of its directors or any other corporation, firm, association, or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable solely because of such relationship or interest or solely because such directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or solely because their votes are counted for such purpose, provided that such interest has been disclosed as set forth above.

#### ARTICLE IV OFFICERS

SECTION 1. OFFICERS. The officers of the Corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, a Secretary, and such assistant and other officers as the directors in their discretion may elect in accordance with the provisions of this Article. All officers must be members in good standing of the Corporation. Any two or more offices may be held by the same person except the offices of President and Secretary.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after the annual meeting of members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not, in and of itself, create any contract rights.

SECTION 4. 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 of office.

SECTION 5. PRESIDENT. The President shall be the principal



executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meeting of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation or shall be required by law to be otherwise signed or executed, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. THE VICE PRESIDENTS. In the absence of the President or in the event of his death or inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their seniority) shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7. THE TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall (i) have charge and custody of and be responsible for all funds and securities of the Corporation; (ii) receive and give receipts for moneys due and payable to the Corporation from any sources whatsoever and deposit all such moneys in the name of the Corporation in banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article V of these By-Laws; and (iii) in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. THE SECRETARY. The Secretary shall (i) keep the minutes of the proceedings of the members and of the Board of Directors in one or more books provided for such purposes; (ii) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (iii) be custodian of the corporate records and of the seal of the Corporation and insure that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these By-Laws; (iv) keep a register of the post office address of each member

which shall be furnished to the Secretary by such member; (v) have general charge of the member lists of the Corporation; and (vi) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

**SECTION 9. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES.** The Assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors.

**SECTION 10. OTHER OFFICES.** The Board of Directors, in its discretion, may establish such other offices as it may deem appropriate from time to time, including without limitation the office of General Manager or Executive Director, and may prescribe such duties for such offices as it may deem appropriate in its judgment.

**SECTION 11. BONDS.** If the Board of Directors by resolution shall so require, any officer or agent of the Corporation shall give bond to the Corporation in such sums and with such surety or sureties as the Board of Directors may determine for the faithful discharge of their respective duties and offices.

**SECTION 12. SALARIES.** The salaries of the officers, if so declared by the Board of Directors in accordance with the Colorado Nonprofit Corporation Act, regulations and rules of the Internal Revenue Service, the Articles of Incorporation, and these By-Laws, shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation.

**ARTICLE V**  
**CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**SECTION 1. CONTRACTS.** The Board of Directors may authorize any one or more officers or agents to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**SECTION 2. LOANS.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or agents of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

**ARTICLE VI**  
**FISCAL YEAR**

The fiscal year of the Corporation shall begin on the 1st day of January in each year and end on the 31st day of December in each year.

**ARTICLE VII**  
**CORPORATE SEAL**

The Corporation may adopt a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation, the state of incorporation, and the words, "Corporate Seal." Facsimile seals shall be permitted.

**ARTICLE VIII**  
**WAIVER OF NOTICE**

Whenever any notice whatsoever is required to be given under the provisions of these By-Laws or under the provisions of the Articles of Incorporation or under the Colorado Non-profit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before, at, or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE IX**  
**LOANS**

No loans shall be made by the Corporation to its directors or officers or to any member.

**ARTICLE X**  
**AMENDMENTS**

These By-Laws may be altered, amended, or repealed and new By-Laws may be adopted at any meeting of the Board of Directors of the Corporation at which a quorum is present by a majority vote of the directors present at the meeting.

**ARTICLE XI**  
**EXECUTIVE COMMITTEE**

**SECTION 1. APPOINTMENT.** The Board of Directors by resolution adopted by a majority of the full Board, may designate two or more of its members to constitute an Executive Committee. The designation of such Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

**SECTION 2. AUTHORITY.** When the Board of Directors is not in session, the Executive Committee shall have and may exercise all of the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors to (i) recommend to the members the amendment of the Articles of Incorporation, (ii) adopt a plan of merger or consolidation, (iii) recommend to the members the sale, lease, or other disposition of all or substantially all of the property and assets of the Corporation otherwise than in the usual and regular course of its business, (iv) recommend to the members a voluntary dissolution of the Corporation or a revocation thereof, (v) amend the By-Laws of the Corporation, (vi) change membership criteria.

**SECTION 3. TENURE AND QUALIFICATIONS.** Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his designation and until his successor is designated as a member of the Executive Committee and is duly elected and qualified.

**SECTION 4. MEETINGS.** Regular meetings of the Executive Committee may be held without notice at such time and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than one day's notice stating the place, date, and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Executive Committee at his business address. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting.

**SECTION 5. QUORUM.** A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof, and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.



SECTION 6. INFORMAL ACTION BY EXECUTIVE COMMITTEE. Any action required or permitted to be taken by the Executive Committee at a meeting 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 thereof.

SECTION 7. VACANCIES. Any vacancy in the Executive Committee may be filled by a resolution duly adopted by a majority of the full Board of Directors.

SECTION 8. RESIGNATIONS AND REMOVAL. Any member of the Executive Committee may be removed at any time with or without cause by resolution duly adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the President or Secretary of the Corporation, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Resignation from the Executive Committee shall not constitute resignation from the Board of Directors unless so stated in the resignation.

SECTION 9. PROCEDURE. The Executive Committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these By-Laws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

#### ARTICLE XII INDEMNIFICATION

Except as may be otherwise provided by statute, any person made a party to or involved in any civil, criminal, or administrative action, suit, or proceeding by reason of the fact that he, his testator, or intestate is or was a director, officer, or employee of the Corporation or of any corporation which he, his testator, or intestate served as such at the request of the Corporation shall be indemnified by the Corporation against all expenses reasonably incurred by him or imposed on him in connection with, or resulting from, the defense of such action, suit, or proceeding, or in connection with, or resulting from, any appeal therein, except with respect to matters as to which it is adjudged in such action, suit or proceeding that such officer, director, or employee is liable to the Corporation or to such other corporation for negligence or misconduct in the performance of his duties. As used herein the term "expenses" shall include all obligations incurred by such person for the payment of money, including but not limited to attorney's fees, judgments, awards, fines, penalties, and amounts paid in satisfaction of judgment or in settlement of

any such action, suit, or proceeding, except amounts paid to the Corporation or such other corporation by him. A judgment or conviction shall not, in and of itself, be deemed an adjudication that such director, officer, or employee is liable to the Corporation or such other corporation for negligence or misconduct in the performance of his duties. Determination of the right to such indemnification and the amount thereof may be made, at the option of the person to be indemnified, by any of the following procedures: (i) order of the court or administrative body having jurisdiction of the action, suit, or proceeding; (ii) resolution adopted by a majority of the quorum of the Board of Directors without counting in such majority or quorum any directors who have incurred expenses in connection with such action, suit, or proceeding; (iii) if there is no quorum of directors who have not incurred expenses in connection with such action, suit, or proceeding, then by resolution adopted by a majority of a committee of members who have not incurred such expenses appointed by the Board of Directors; (iv) resolution adopted by a majority of a quorum of the members entitled to vote at any meeting; or (v) order of any court having jurisdiction over the Corporation. Any such determination that a payment by the way of indemnity should be made shall be binding on the Corporation. Such right of indemnification shall not be exclusive of any other right of indemnification which such directors, officers, and employees of the Corporation may have or hereafter acquire, by statute or otherwise, including but not limited to the provisions of Section 7-22-101.5 of the Colorado Nonprofit Corporation Act.

#### ARTICLE XIII EMERGENCY BY-LAWS

The Emergency By-Laws provided in this Article XIII shall be operative only during any emergency in the conduct of the business of the Corporation and then only when such emergency is the result of an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in the preceding Articles of these By-Laws or in the Articles of Incorporation of the Corporation or in the Colorado Nonprofit Corporation Act. To the extent not inconsistent with the provisions of this Article, the By-Laws provided in the preceding Articles shall remain in effect during such emergency and upon its termination the Emergency By-Laws shall cease to be operative.

During any such emergency:

a. A meeting of the Board of Directors may be called by any officer or director of the Corporation. Notice of the place, date, and time of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as

circumstances permit in the judgment of the person calling the meeting.

b. At any such meeting of the Board of Directors, a quorum shall consist of the number of directors in attendance at such meeting.

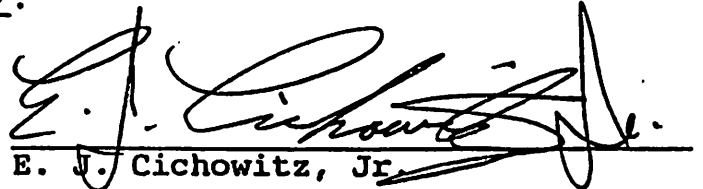
c. The Board of Directors, either before or during any such emergency, may, effective for the duration of the emergency, change the principal office or designate several alternative principal offices or regional offices or authorize the officers so to do.

d. The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.

e. No officer, director, or employee acting in accordance with these Emergency By-Laws shall be liable except for willful misconduct.

f. These Emergency By-Laws shall be subject to repeal or change by further action of the Board of Directors or by action of the members, but no such repeal or change shall modify the provisions of subparagraph e. above with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency By-Laws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

IN WITNESS WHEREOF, we, being all of the directors of Grand West Estates Owners Association do hereby adopt the foregoing By-Laws as the initial By-Laws of the Corporation this 17TH day of DECEMBER, 1990.

  
E. J. Cichowitz, Jr.

  
Alice J. Cichowitz