

AMENDED AND RESTATED BYLAWS OF  
MICHIGAN HILL OWNERS ASSOCIATION

(Effective June 9, 2012)

1. NAME, OFFICERS AND MEETING PLACES. The name of the corporation is Michigan Hill Owners Association, Inc., hereinafter referred to as the "MHOA." The mailing address is P.O. Box 123, Jefferson, Colorado 80456 or such other address as may be established by the Board. Meeting places will be designated by the Board of Directors.

2. PURPOSE AND RESPONSIBILITIES. The purpose for which the corporation is formed shall be to organize and operate recreational and social facilities and activities and to maintain roads within Michigan Hill Subdivision; exclusively for members of the MHOA, their families and guests. In carrying out these purposes, the MHOA shall: (a) accept title to and hold in the name of, land and facilities for social and recreational uses and activities, (b) control and maintain said areas, and (c) take such other action as shall be consistent with the purposes of the corporation, the Colorado Revised Non-profit Corporation Act and the Colorado Common Interest Ownership Act to the extent applicable to the Association.

3. MEMBERSHIP. Any person, persons or entity purchasing property within the MICHIGAN HILL development shall automatically become a member of the MHOA when the purchase is closed and title transfers. A person becomes a member of the MHOA at such time as a deed or instrument transferring to that person a present vested interest in a Lot within the MICHIGAN HILL subdivision is recorded in the records of the Park County Clerk and Recorder's Office. This is the sole requirement for said membership. Each subdivided MICHIGAN HILL Lot represents one membership unit. Membership is appurtenant to and may not be separated from ownership of property. For clarity in this and other Governing Documents, the term "member" and "owner" will be used interchangeably. A Member shall cease being a member upon conveyance of their Lot to another person.

4. SUSPENSION OF MEMBERSHIP RIGHTS. In addition to the remedies provided in paragraph 8 below, if a member is in default in payment of assessments levied by the MHOA, he/she may not vote nor use the common areas and common area facilities until such assessment has been paid. Membership rights also may be suspended for violations of the Governing Documents, but the Association must first provide notice and opportunity for a hearing to the Owner/Member. (See "Required Policies" document.)

5. RIGHTS. Each member and all members of the member's immediate family shall be entitled to the use and enjoyment of the common areas and facilities, subject to the limitations within the Declaration of Covenants, these Bylaws and the Required Policies. Upon recordation of evidence of a sale or transfer of the property, said membership passes to the new record owner with all rights, privileges and obligations. The new

member will notify the Secretary of the MHOA in writing of the name and address of the new owner.

6. THE BOARD OF DIRECTORS shall manage the affairs of the MHOA as follows:

- a. NUMBER. The board shall be composed of not less than three (3) nor more than five (5) directors, each of whom must be a member of the MHOA as of the date of the election. All directors must be current in payment of Assessments and in compliance with all Governing Documents. Except for entity members which are living revocable trusts, no member which is an entity can serve as a director, nor can any individual representing that entity serve as a director. A member which is a revocable living trust may serve as a director through a person who holds a present vested ownership interest in said trust.
- b. ELECTION. At each annual meeting, members shall elect directors to fill expiring positions of board members for two-year terms. In the event of death or resignation of a director, and if the remaining board members have not appointed a successor to fill the vacancy prior to the notice of the meeting, members shall elect a director to fill his/her unexpired term. Colorado law requires that all contested director elections be conducted by secret ballot. (Contested elections are elections in which there are more candidates than positions to be filled.) If requested by no less than 20% of the Members present at a meeting of the members such action shall be by secret ballot.
- c. REMOVAL. Any director or directors may be removed by a majority vote of the MHOA members entitled to vote at a general membership meeting or any special meeting of the Members specifically called for that purpose. However, if members remove one or more directors, the members shall elect directors to fill the vacancies caused by the removal/s. In the event of death or resignation of a director, his/her successor shall be appointed by the remaining members of the board and shall serve for his/her unexpired term as set forth in paragraph 6(b) above. see CRS Removal of Directors: 7-128-108 (d) A director elected by voting members may be removed by the voting members only at a meeting called for the purpose of removing that director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the director.
- d. COMPENSATION. No director shall receive compensation for any services rendered. However, directors may be reimbursed for actual expenses incurred in the performance of the director's duties. Directors may be reimbursed for gas mileage to and from educational events pertaining to MHOA matters.
- e. MEETINGS OF DIRECTORS.
  - (i) Meetings of directors shall be held when called by the President or by any two (2) directors, after not less than three (3) days' notice to each director. Notice is waived by attendance at the meeting.

- (ii) A director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the director may be heard by the other Members and may hear the deliberations of the other Members on any matter properly brought before the Board. The director's vote shall be counted and the presence noted as if that director were present in person.
  - (iii) For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.
  - (iv) To the extent permitted by the Colorado Revised Non-profit Corporation Act the Board may take action outside of a meeting which action shall be ratified at the next regularly scheduled meeting of the Board of Directors.
  - (v) Any director may waive notice of any meeting in writing. Attendance by a director at any meeting of the Board shall constitute a waiver of notice. If all the directors are present at any meeting, no notice shall be required, and any business may be transacted at the meeting.
- f. QUORUM. A majority of the total number of directors shall constitute a quorum, and decisions by a quorum shall be binding on all members of the MHOA.
- g. DUTIES. The duties of the Board of Directors shall include, among other things, keeping corporate and financial records, and making annual reports to the members. They will set a yearly budget and propose needed changes to the yearly Assessments for members. (Note: the proposed budget and Assessment changes must be accepted or rejected by the membership at a duly constituted member meeting.) They shall review and approve the recommendations of the Architectural Control Committee. They shall also provide for the maintenance of the common areas. The powers and duties of the Board shall remain consistent with the powers permitted by Colorado Laws including The Colorado Revised Nonprofit Corporation Act, The Colorado Common Interest Ownership Act, Senate Bill 100.
- h. OFFICERS. Board members will serve as President, Vice-President, Secretary, Treasurer, and At-Large. All officers shall be members of the Board of Directors with all duties and powers permitted by Colorado Law (see "g." above).
- i. ARCHITECTURAL CONTROL COMMITTEE; BOARD OVERSIGHT. At least one member of the Board shall also serve as a member of the Architectural Control

Committee, and shall be the agent of the Board for that purpose. All recommendations of the Architectural Control Committee shall be subject to final Board review and approval.

- j. DESIGN REGULATIONS AND GUIDELINES. The Board shall, from time to time, create and revise Design Regulations and Guidelines (the "Guidelines"). The Guidelines shall be consistent with the provisions of the Declaration of Covenants. The Guidelines shall be used by the Board and the ACC in evaluating all owner applications for approval of structures as required by the Covenants. A copy of the current approved Guidelines shall appear on-line, and will be presented to new members upon request.

## 7. MEETINGS OF MEMBERS.

- a. ANNUAL MEETING. There shall be at least one general membership meeting (the "Annual Meeting") held each year at the place and time set by the Board of Directors. The Board may, upon notice to the membership, hold additional general membership meetings as it sees fit. In addition, members have the right to request a "special meeting" with the Board of Directors, by providing signatures from 20% of the membership.
- b. NOTICE OF MEETINGS. The Board of Directors will notify the membership of any general membership meeting date, time and location at least 30 days prior to the scheduled meeting, with a maximum notice of 50 days. Notice shall be given by first class U.S. mail, unless a member has previously elected to receive such notice by email. It is the responsibility of the member to notify the Board of any change of their U.S. mail and/or email addresses. This "notice of meeting" must be physically posted in a conspicuous place within the community (the MHOA bulletin board). "Notice" will also appear on-line on the Michigan Hills website, whenever possible.
- c. QUORUM. At any general membership meeting, including the Annual Meeting, twenty percent of the total membership shall constitute a quorum, whether in person or by proxy vote.
- d. PROXIES. Members may vote in person or by proxy at all meetings. Proxies shall be in writing and delivered to the Secretary prior to the commencement of any meeting.
- e. MINUTES. Complete Minutes will be kept of each meeting. The Secretary of the Association may record the meeting for transcription purposes.
- f. SECRET BALLOTS. At any meeting of the members, if 20% of the members present desire any action appropriately taken by the members be performed by secret ballot, such action shall be voted on by secret ballot.

- g. VOTING. A simple majority decides the issue being voted on, unless specifically defined otherwise.

## 8. ASSESSMENTS.

- a. PURPOSE. The Assessment shall be for the purposes shown in paragraph 2 above.
- b. RATE. The Annual assessments shall be in such amount as may be determined by the Board of Directors and shall be assessed in accordance with the terms and conditions of the declaration. Owners of multiple tracts will be charged for each tract. MHOA dues may be lowered by the Board of Directors, but may be raised only by majority vote of the members present or represented by proxy at a general membership meeting.
- c. DUE DATE OF ANNUAL ASSESSMENT. Annual assessments will be invoiced in January or February of each year, and are due and payable no later than April 15th of each year.
- d. LATE CHARGES. Effective August 28<sup>th</sup> 2011, a monthly late charge as established by the Board shall accrue on any unpaid annual assessment. This assessment aligns with the requirement by Colorado Common Interest Ownership Act that restricts late fees for yearly assessments to 21% of the yearly Assessment.
- e. LIENS AND ENFORCEMENT. Commencing in June of each year, the Treasurer shall record liens against any Lot for which the annual assessment remains unpaid. The charge for recording a lien shall be a minimum of \$20.00. The lien shall secure the MHOA's claim for payment of any unpaid assessments, accrued late charges, and attorneys' fees and costs of collection.
- f. FORECLOSURE. The Board may foreclose on any lien, and shall be entitled to recover any and all costs of collection, including but not limited to, attorneys' fees and costs.
- g. FAILURE TO COMPLY. Any owner found, after notice and an opportunity for a hearing may be subject to fines as may be assessed in accordance with the Association's Policy Regarding Enforcement of Covenants.

9. CAMPERS AND TRAILERS. Campers, trailers, motor homes and similar vehicles may not be used as year around dwellings on Michigan Hill. The Board shall remove any such vehicles which violate the Covenants and Bylaws at the owner(s)' expense. Permitted storage and uses of such vehicles shall be as follows:

- a. UNIMPROVED LOTS. Owners of unimproved lots and their guests may camp on their lots in campers, trailers and motor homes, and similar vehicles. Gray water and/or sewage may not be discharged or disposed of within the subdivision other

than in the MHOA's approved dump station. When the owner or guest leaves, camping vehicles must be removed from the lot. Campers, trailers, motor homes, and similar vehicles cannot be stored on any unimproved lot.

- b. IMPROVED LOTS. Owners of improved lots may not allow any person to use campers, trailers, or motor homes as a dwelling on their lots. Owners of improved lots may store campers, trailers and/or motor homes kept for use elsewhere on their own lots. However, storage of such vehicles shall be in a treed area, (whenever possible), adjacent to or within a structure, or as otherwise necessary so as to minimize the visual impact on neighboring lots and other members of the MHOA, enhance property values, and avoid constituting a nuisance to the neighborhood.

10. HUNTING BANNED. Section 14 of the Covenants prohibits the discharge of firearms within the Subdivision. The purpose is to protect people and animals within the Subdivision. The Board has determined that hunting by any means also endangers the lives and safety of people and animals. Therefore, hunting of any kind within the Subdivision is prohibited at all times.

11. NUISANCE. Nothing shall be done or permitted on any lot which may be or become an annoyance or nuisance to the neighborhood. No obnoxious or offensive activities shall be carried on upon any tract. Obnoxious behavior on property with motor vehicles, whether from careless driving practice or from excessive noise, is prohibited. Storage of junk or old automobiles on lots is prohibited. Trail bikes, scooters and motor vehicles will be used on approved roads only, and are not allowed on any out-lot.

12. AMENDMENTS. These Bylaws may be amended by the Board of Directors as the need shall arise, except in regards to voting rights or procedures. However, these amendments must be approved by a majority vote of those members present and represented by proxy at the next duly constituted membership meeting of the Association, or they will become ineffective as of the date of said meeting. The Board shall not be held liable for any damages resulting from any changes made to the Bylaws that are within the Board's authority but are not subsequently approved by the MHOA general membership, unless such action can be shown to be willful and wanton. The Board shall not have the power to amend the Bylaws in regards to MHOA voting rights or procedures; voting right and procedure Bylaws can only be changed by a two-thirds (2/3) majority of votes cast at a regularly called MHOA general membership meeting.

13. FISCAL YEAR. The fiscal year shall coincide with the calendar year.


14. LIABILITY OF DIRECTORS AND OFFICERS. Neither the Directors, Officers, Architectural Control Committee or any persons acting therefore (other than independent contractors), shall be liable in damages to any person or entity by reason of any action, failure to act or any other circumstance taken as, or on behalf of, an Officer or Director or member of the Architectural Control Committee of the MHOA. The previous sentence shall not apply where such acts are done in bad faith and with malice. The MHOA shall indemnify and hold harmless its officers, directors, members or

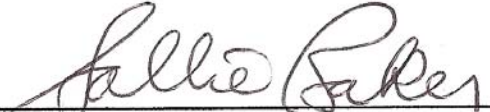
the Architectural Committee and employees while serving the MHOA in those capacities, unless such acts are done in bad faith or with malice. The Association shall indemnify and hold each director, officer and member of any committee of the Association harmless of any and all claim to the maximum extent permitted by Colorado law. Notwithstanding the preceding, in the event a court determines a director acted in bad faith or was grossly negligent the Association need not indemnify such director.

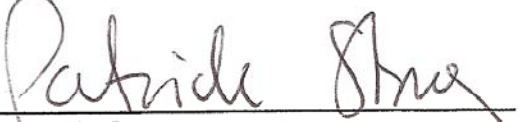
15. DIRECTORS AND OFFICERS INSURANCE. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify the person against liability under provisions of this Article.


16. HOMEOWNER'S BILL OF RIGHTS. As required by the Colorado Common Interest Ownership Act (CCIOA 38-33.3-209-5), the Michigan Hill Owners Association Inc. has developed and adopted policies which establish a process of good governance, due diligence, and which compliment the Association's Bylaws, Declaration of Covenants, and Articles of Incorporation. The Colorado Non-Profit Corporation Act: 7-128-101 vests authority to act on behalf of the Association in the Board of Directors.

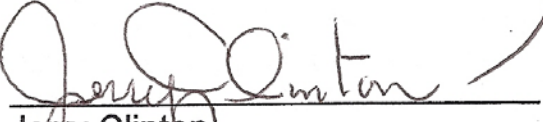
IN WITNESS WHEREOF, we, being all of the directors of Michigan Hill Owners Association, Inc., have hereunto set our hands this 9th day of June, 2012.

  
\_\_\_\_\_  
Fred Depenbrock

  
\_\_\_\_\_  
Sallie Baker

  
\_\_\_\_\_  
Patrick Strong

  
\_\_\_\_\_  
Carol Smusz

  
\_\_\_\_\_  
Jerry Clinton