

**THE AMENDED AND RESTATED BYLAWS  
OF  
VALE VIEW  
HOMEOWNERS ASSOCIATION**

**ARTICLE I  
OBJECT**

**1.1 Association.** THE VALE VIEW HOMEOWNERS ASSOCIATION (the "Association") is a nonprofit corporation, organized under the Colorado Nonprofit Corporation Act (the "Act") to operate in accordance with the Colorado Common Interest Ownership Act (the "CCIOA"). These Bylaws are adopted for the administration, regulation, and management of the affairs of the Association.

**1.2 Purposes.** The purposes for which the Association are formed are: (a) to promote the health, safety, welfare, and be for the common benefit of the Owners and residents of Vale View and the Members of the Association; (b) to be and constitute the Association to which reference is made in the AMENDED AND RESTATED DECLARATION OF CONDITIONS AND RESTRICTIONS OF VALE VIEW (the "Declaration") recorded against Vale View in the Weld County, Colorado records; (c) to govern, in accordance with CCIOA and the Colorado Nonprofit Corporation Act (the "Act"), the residential community known as Vale View, located in Mead, Colorado; and (d) to provide for the administration, maintenance, repair and reconstruction of the Common Areas of Vale View.

**1.3 Terms Defined in Declaration.** Any terms used in these Bylaws which are defined in the Declaration shall have the same meaning and definition in these Bylaws as such terms have in the Declaration.

**ARTICLE II  
MEMBERSHIP AND VOTING RIGHTS**

**2.1 Membership.** Members of the Association shall be every record Owner of a Lot subject to the Declaration. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Ownership of such Lot shall be the sole qualification for such membership. Where more than one (1) person holds interest in a Lot, all such persons shall be Members. The terms "Members" and "Owners" may be used interchangeably in these Bylaws.

**2.2 Voting Rights.** Owners shall be entitled to one vote for each Lot owned. The vote for such Lot, when the ownership of which is held by more than one (1) Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost; provided, however, that to the extent not prohibited by the Act, such owners shall be deemed to have voted for purposes of determining whether the requisite minimum number of eligible voters have voted on a measure

requiring a certain percentage of Lot owners to have voted. In no event shall more than one (1) vote be cast with respect to any such Lot. Only Owners in "good standing" with the Association shall be allowed to vote, as determined by the board. Owners delinquent on their assessments and/or penalties and fines, as determined by the Board, shall not be considered in "good standing."

The vote of a corporation or a limited liability company may be cast by any officer of that corporation or any manager of that limited liability company in the absence of express notice of the designation of a specific person by the Board of Directors, Bylaws or Operating Agreement of the owning corporation or limited liability company. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership.

In no case will more than one vote per lot be allowed on any matter to come before the Association. The maximum number of Lots and votes within the Association is eighty-one (81), subject to the notice requirements contained in the Declaration, Section 1.3(a), Outlots E & J.

### ARTICLE III MEETINGS OF THE ASSOCIATION

**3.1 Place of Meetings.** Meetings of the Association shall be held at such place within Weld County, Colorado, as the Board of Directors may determine.

**3.2 Annual Meeting.** The Annual Meeting of the Association shall be held during the month of November. The purpose of the Annual Meetings is for the election of members of the Board of Directors to replace Directors whose terms are expiring and the transaction of such other business of the Association as may properly come before the meeting.

**3.3 Budget Meetings.** Within fourteen (14) days after adoption of the proposed Budget for the Association, the Board of Directors shall mail, by ordinary first class mail, or otherwise deliver, by email, faxing, or hand delivery a summary of the proposed Budget to all the Owners and shall set a date for a meeting of the Owners to consider the Budget which date is not less than fourteen (14) nor more than thirty (30) days after mailing or other delivery of the summary. Unless at that meeting sixty-seven percent (67%) of all Owners reject the Budget, the Budget is deemed approved, whether or not a quorum is present. In the event the Budget is rejected, then the Budget last proposed and not rejected by the Owners must be continued until such time as the Owners ratify a subsequent Budget adopted by the Board not rejected by the Owners. In no event shall annual expenditures of the Association exceed annual revenues unless a subsequent Budget is adopted by the Owners.

**3.4 Special Meetings.** Special Meetings of the Association may be called at any time by the President, or by a majority of the Board of Directors, or upon written request of Owners to which at least twenty percent (20%) of the votes in the Association are allocated. Notice to Owners of all Special Meetings shall be given at least seventy-two (72) hours before the meeting in the same fashion as specified in Section 3.6.

**3.5 Special Assessments Meetings.** Special Assessment Meetings of the Association may be called at any time by the President or by a majority of the Board of Directors, or upon written request of Owners to which at least fifty-one percent (51%) of the votes in the Association are allocated. Notice to Owners of all Special Assessment Meetings shall be given at least fourteen (14) days before the meeting, unless an emergency has been determined by the Board and then notice to Owners shall not be less than seventy-two (72) hours before the meeting. Notice to Owners shall be given in the fashion as specified in Section 3.6.

**3.6 Notice of Meetings.** Written notice of each meeting of the Association, whether a regular meeting, special meeting or special assessment meeting, shall be given at the direction of the President by hand delivery or mailing a copy of such notice, postage prepaid, or by electronic means, at least fourteen (14) days, but not more than thirty (30) days before such meeting to each Owner entitled to vote thereat, addressed at the Owner's address last appearing on the books of the Association. In addition, the notice shall be physically posted in a conspicuous place within Vale View, provided such posting is feasible and practical, and shall be provided by electronic means, if such means are available, to those Owners who so request notice in that form and provide the Association with their electronic mail addresses. In addition to direct notification of Owners, the notice may also be provided in electronic form, by posting on a web site or otherwise. Any notice given by electronic means shall be given as soon as possible, but at least fourteen (14) days before the meeting. Such notice shall specify the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or director. In the event of an emergency, then notice to Owners shall not be less than seventy-two (72) hours before the meeting.

**3.7 Quorum.** Except as provided in Section 3.8 below, the presence at a meeting of Owners of the Association entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws or by law.

**3.8 Majority Vote.** Except for Budget Meetings, where a quorum is not required, and meetings called for the purpose of making Special Assessments, which are governed by Section 5.4 of the Declaration, an affirmative vote of a majority of the votes present at a meeting at which a quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Owners for all purposes, except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

If quorum shall not be present or represented by proxy at any meeting, the Owners entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the required quorum is present or represented.

**3.9 Secret Ballot.** Votes for contested positions on the Board of Directors shall be taken by secret ballot. At the discretion of the Board, or upon the request of twenty percent (20%) of the Owners who are present at the meeting or represented by proxy where a quorum has been achieved, a vote on any matter affecting Vale View on which all Owners are entitled to vote shall be by secret ballot.

Ballots shall be counted by a neutral third party or by a committee of unrelated volunteers.

Such volunteers shall be Owners who are selected or appointed at an open meeting in a fair manner, by the chair of the Board or another person presiding during that portion of the meeting. The volunteers shall not be members of the Board of Directors and, in the case of a contested election for a Board position, shall not be candidates or relatives of candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote.

**3.10 Proxies.** At all meetings of the Association, each Owner may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association at or before the time of such meeting. Proxies must be dated and signed by all of the Lot Owners or Co-Owners and specifically designate, by name, the Owner to which the proxy has been assigned. Proxies may be given only to other Owners. Every proxy shall be revocable and shall automatically cease upon conveyance by the Owner of his or her Lot. No proxy shall extend beyond a period of sixty (60) days and proxies need not be notarized.

The Association may reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the Secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner. The Association, and its officer or agent, who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith, shall not be liable in damages for the consequences of the acceptance or rejection. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation unless and until a court of competent jurisdiction determines otherwise.

**3.11 Cumulative Voting Not Permitted.** Cumulative voting in the election of Directors is not permitted.

**3.12 Waiver of Meeting and Consent to Action.** In an emergency, whenever the vote of Owners at an Association meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of Owners may be dispensed with and the action in question may be approved if the majority of the Owners eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question.

#### ARTICLE IV THE BOARD OF DIRECTORS

**4.1 Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors composed of a minimum of three (3) or any odd number of persons. The number of which shall be determined by the Owners at the Annual Meeting, and no decrease in number shall have the effect of shortening the term of any incumbent Director

**4.2 The Board of Directors.** At each Annual Meeting of the Association, Directors shall be elected.

The initial terms of the elected Directors shall be fixed at the time of their election as they among themselves shall determine. The term of one (1) Director shall be fixed at one (1) year; the term of one (1) Director shall be fixed at two (2) years; and the term of one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Member of the Board of Directors, a successor shall be elected to serve for a term of three (3) years. Directors shall continue in office until their successors have been elected, unless a Director resigns, is removed or becomes disqualified to be a Director.

**4.3 Qualifications/Nomination.** An elected Director must be an Owner of a Lot within Vale View or be an officer of a corporate Owner of a Lot, a manager or member of a limited liability company Owner of Lot, a partner in a partnership Owners of a Lot, or a trustee of a trust Owners of a Lot within Vale View. If a Director ceases to be an Owner of a Lot, or a corporate officer, or a limited liability company manager/member, or partner, or trustee of an entity which owns a Lot, such Director's term as Director shall immediately terminate, and a new Director shall be appointed as promptly as possible in accordance with Section 4.5 to take such Director's place. A Director may be re-elected, and there shall be no limit as to the number of terms a Director may serve.

**4.4 Resignation/Removal of Directors.** Any Director may resign at any time by giving written notice to the Secretary of the Association, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

At any duly called meeting of the Association at which a quorum is present, the Owners may, by sixty-seven percent (67%) vote of Owners present or by proxy, remove any Director with or without cause.

**4.5 Vacancies in Directors.** Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

## ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

**5.1 Regular Meetings.** Regular Meetings of the Board of Directors shall be held as the needs of the Association dictate, but at least annually upon seven (7) days' notice, at such place and hour as may be fixed from time to time by resolution of the Board.

**5.2 Special Meetings.** Special Meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' notice to each Director.

**5.3 Purpose of Meetings.** All regular and special meetings of the Board of Directors shall be open to attendance by all Owners or their representatives. Tentative agendas for such meetings shall be made available for examination by all Owners or their representatives a minimum of seven (7) days prior to regular meetings or three (3) days prior to special meetings.

**5.4 Open Meetings.** All meetings of the Board of Directors are open to every Owner, or to any person designated by an Owner, in writing, as the Owner's representative. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Owners or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting.

Notwithstanding the foregoing, the Board of Directors may hold an executive or closed door session and may restrict attendance to members of the Board and such other persons requested by the Board during a regularly or specially announced meeting or part thereof. Matters for discussion at a closed session are limited to:

- (a) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
- (b) Consultation with legal counsel concerning disputes and contract negotiations that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- (f) Review of or discussion relating to written or oral communication from legal counsel that constitutes attorney/client privileged communication.

Prior to convening in executive session, the Board of Directors shall announce the general matter of discussion, as described above. The Board of Directors shall not adopt any rule or regulation during an executive session, but may only do so during a regular or special meeting of the Board held for that purpose, or after the Board goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held shall indicate that executive session was held and the general subject matter of the executive session.

**5.5 Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of the majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors.

**5.6 Proxies.** A Director shall not be entitled to vote by proxy at any meeting of the Board of Directors.

**5.7 Waiver of Notice.** Any Director may waive notice of any special meeting in writing. Attendance by a Director at any meeting of the Board of Directors 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 such meeting.

**5.8 Telephone Communication in Lieu of Attendance.** A Director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the Director may be heard by the other members of the Board and may hear the deliberations of the members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and presence noted as if the Director were present in person on that particular matter.

Directors are encouraged to attend all meetings, however, should a Director be unable to attend in person or by electronic or telephonic communication, the remaining Directors will determine whether the absence may be excused. A maximum of three (3) unexcused absences shall be allowed per calendar year. More than three (3) unexcused absences may result in a Director being removed from office by a majority of the remaining Directors or by a sixty seven percent (67%) vote of owners present or by proxy, providing a quorum is present.

## ARTICLE VI POWERS AND DUTIES

**6.1 Powers and Duties.** The Board of Directors shall have the powers and duties necessary, desirable or appropriate for the administration of the affairs of the Association and for the operation and maintenance of the Common Areas of Vale View. The Board of Directors may do all such acts and things which are not specifically required to be done by the Owners by the Act, or the CCIOA, other Colorado law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws.

**6.2 Managing Agent.** The Board may employ for the Association a Managing Agent at a compensation and upon such terms as established by the Board, to perform such duties and services as the Board shall authorize; provided, however, that the Board in delegating such duties shall not be relieved of its responsibility under the Declaration.

**6.3 Compensation of the Members of the Board of Directors.** Except as provided in this Paragraph 6.3, Members of the Board of Directors shall not be paid any compensation for their services performed as Members of the Board of Directors unless a resolution authorizing such remuneration shall have been adopted by the Association. Each Member of the Board of Directors shall receive reimbursement for mileage and meals in accordance with current IRS regulations, or for other actual expenses incurred in connection with the performance of his or her duties as a Member of the Board of Directors.

**ARTICLE VII  
OFFICERS AND THEIR DUTIES**

**7.1 Enumeration of Officers.** The Officers of the Association shall be a President, Vice President, Secretary and Treasurer, and such other Officers as the Board of Directors may from time to time by resolution create. The President must be a Member of the Board of Directors.

**7.2 Election of Officers.** The election of Officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each Annual Meeting of the Association.

**7.3 Term.** Officers shall be elected annually by the Board of Directors and each shall hold office for one year unless such Officer shall sooner die, resign or shall be removed or otherwise disqualified to serve.

**7.4 Special Appointments.** The Board of Directors may appoint such other Officers as the affairs of the Association may require, including, but not limited to third party contractors who shall have such authority, and perform such duties for a specific period of time, as the Board of Directors may from time to time determine.

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

**7.6 Vacancies.** A vacancy in any office may be filled by appointment by the Board of Directors. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

**7.7 Multiple Offices.** Any two (2) or more offices may be held by the same person, except the office of President.

**7.8 Duties.** The duties of the Officers are as follows:

President. The President shall preside at all meetings of the Association and the Board of Directors; see that orders and resolutions of the Board of Directors are carried out; sign on behalf of the Association all leases, mortgages, deeds, notes and other written instruments; and exercise and discharge such other duties as may be required of the President by the Board of Directors.

Vice President. The Vice President shall act in the place and instead of the President in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the Vice President by the Board of Directors.



Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Association; serve notice of meetings of the Board of Directors and of the Association; keep appropriate current records showing the Owners together with their addresses; and shall perform such other duties as required by the Board of Directors.

Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; sign all checks of the Association unless the Board of Directors specifically directs otherwise; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the Owners at a meeting of the Association at which the budget will be considered; and cause an annual audit of the Association's books to be made by an accountant if so directed by the Board of Directors.

**7.9 Execution of Instruments.** All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any person or persons as may be designated by resolution of the Board of Directors.

**7.10 Statements of Unpaid Assessments.** Any Officer having access to the books and records of the Association or Managing Agent may prepare, certify and execute statements of unpaid assessments, in accordance with the CCIOA.

The Association may charge a reasonable fee, in amounts as may be determined by the Board of Directors from time to time, for preparing "Statements of Unpaid Assessments". Any unpaid fees may be assessed as a Common Expense against the Lot for which the Certificate or Statement is furnished.

## **ARTICLE VIII OBLIGATIONS OF DIRECTORS AND OFFICERS**

**8.1 Limited Definition of Officer.** For purposes of this Article, the term "officer" means any person designated as an officer of the Association and any person to whom the Board of Directors delegates responsibilities, including, without limitation, the Managing Agent, attorney, or accountant employed by the Board or the Association.

**8.2 Standard of Care.** No member of the Board of Directors and no officer shall be liable for actions taken or omissions made in the performance of that member or officer's duties except for wanton and willful acts or omissions.

**8.3 Conflict of Interest.**

(a) Conflicting Interest Transaction. A "conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a member of the Board of Directors of the Association, between the Association and a party related to a member of the Board of Directors of the Association, or between the

Association and an entity in which a member of the Board of Directors of the Association is a director or officer or has a financial interest.

(b) Transactions not Void or Voidable. No conflicting interest transaction shall be void or voidable, or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by an Owner or by or on behalf of the Association, solely because the conflicting interest transaction involves a member of the Board of Directors or a party related to a member of the Board of Directors or an entity in which a member of the Board of Directors is a director or officer or has a financial interest or solely because the member of the Board of Directors is present at or participates in the meeting of the Board of Directors solely because the vote of the member of the Board of Directors is counted for such purpose if:

- (1) The material facts as to the relationship or interest of the member of the Board of Directors and as to the conflicting interest transaction are disclosed or are known to the Board of Directors, and the Board of Directors in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested members of the Board of Directors, even though the disinterested members of the Board of Directors are less than a quorum; or
- (2) The material facts as to the relationship or interest of the member of the Board of Directors and as to the conflicting interest transaction are disclosed or are known to the members of the Board entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or
- (3) The conflicting interest transaction is fair as to the Association.

For the purposes of this Section, a "party related to a member of the Board of Directors" shall mean a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

**8.4 Loans.** No loans shall be made by the Association to members of its Board of Directors or any of its officers. Any member of the Board of Directors or officer who assents to or participates in the making of any such unauthorized loan shall be liable to the Association for the amount of such loan until the repayment thereof.

## **ARTICLE IX AMENDMENTS**

**9.1 Amendments.** These Bylaws may be amended by a vote of the majority of a quorum of the Board of Directors at a regular or special meeting of the Board of Directors. These Bylaws may be amended at any Annual Meeting of the Association or at any Special Meeting called for

the purpose of amending the Bylaws, by the affirmative vote of a majority of a quorum of Owners present at the meeting voting in person or by proxy.

Any amendment adopted at an Annual or Special Meeting of the Association may thereafter only be amended at an Annual or Special Meeting of the Association.

**9.2 Compliance with the CCIOA and the Act.** These Bylaws are intended to comply with the requirements of the CCIOA and the Act. If any of the Bylaws conflict with the provision of the CCIOA, the provisions of the CCIOA or the Act, the provisions of CCIOA or that Act, as applicable, will govern the Association.

## **ARTICLE X NOTICE AND HEARING PROCEDURE**

**10.1 Notice and Hearing Procedures.** The Board shall not impose a Fine, Individual Assessment, suspend voting rights, or infringe upon any other rights of a Owner or other occupant for violations of Rules and Regulations of the Association, Design Guidelines or of the Declaration unless and until the following procedure is followed:

(a) Demand. Written demand to cease and desist from the alleged violation shall be served upon the alleged violator specifying:

- (1) The alleged violation;
- (2) The action required to abate the violation; and
- (3) A time period, not less than ten (10) days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after Notice and an opportunity for a hearing, if the violation is not continuing.

(b) Notice. At any time within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate shall serve the violator with written notice of a Hearing to be held by the Board. The notice shall contain:

- (1) The nature of the alleged violation;
- (2) The time and place of the Hearing, which time shall not be less than ten (10) days from the giving of the Notice;
- (3) An invitation to attend the Hearing and produce any statement, evidence, and witness on his or her behalf; and
- (4) The proposed sanction to be imposed.

(c) Hearing. The Hearing shall be held pursuant to the Notice provided to the Owner affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of Notice and the invitation to be heard shall be placed in the Minutes of the Meeting at which the hearing is held. Such proof shall be deemed adequate if a copy of the Notice, together with a statement of the date and manner of delivery, is entered by the Officer, Director, or agent who delivered such Notice. The Notice requirement shall be deemed satisfied if the alleged Violator appears at the meeting. If the Notice requirements have been met, and the alleged Violator does not appear at the Hearing, the alleged Violator will be deemed to have waived his or her opportunity for a Hearing.

The Minutes of the Meeting at which the hearing was held shall contain a written statement of the results of the Hearing and the sanction, if any, imposed. The decision of the Board shall be final.

In no event shall the Board suspend an Owner's right to use the Common Areas of Vale View, or his voting rights for infraction of the Association's Declaration, Design Guidelines, Bylaws, Rules and/or Regulations for a period in excess of sixty (60) days.

The foregoing procedures shall not be necessary in order to impose any sanction or penalty for nonpayment of delinquent Assessments.

#### ARTICLE XI INSPECTION OF RECORDS

11.1 Records to be Kept by the Association. The Association shall keep the following records at its principal place of business:

- (a) Its Articles of Incorporation;
- (b) The Declaration, as it may be amended from time to time;
- (c) The Bylaws, as it may be amended from time to time;
- (d) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations, and obligations of the Owners;
- (e) The minutes of all Owners meetings, and records of all actions taken by the Owners without a meeting, for the previous three (3) years;
- (f) All written communications within the past three (3) years sent to Owners as Owners;
- (g) A list of the names and business or home addresses of the Association's current directors and officers;
- (h) Its most recent annual report, if any;

(i) All financial audits or reviews, if any, conducted pursuant to CCIOA or the Act during the immediately preceding three (3) years; and

(j) In addition, the Association shall keep the following records:

1. Financial records sufficiently detailed to enable the Association to prepare "statements of unpaid Assessments;"
2. Minutes of all meetings of Owners and the Board of Directors, a record of all actions taken by the Owners or Board of Directors by written ballot or written consent in lieu of a meeting, and a record of all waivers of notices of meetings of Owners and of the Board of Directors; and
3. A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote.

The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

**11.2 Availability of Records.** Except as provided for below, all financial and other records shall be made reasonably available for examination and copying by any Owner, such Owner's authorized agents, and First Mortgagees. Notwithstanding the foregoing, no membership list, or any part thereof, may be:

- (a) Obtained or used by any person for any purpose unrelated to an Owner's interest as an Owner without the consent of the Board of Directors;
- (b) Used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (c) Used for any commercial purpose; or
- (d) Sold to or purchased by any person.

**11.3 Reasonably Available.** As used in this Article, "reasonably available" means available between the hours of 10:00 a.m. and 3:00 p.m., Monday through Friday, upon notice of five (5) business days, or at the next regularly scheduled meeting if such meeting occurs within thirty (30) days after the request, provided that:

- (a) The request is made in good faith and for a proper purpose;
- (b) The request describes with reasonable particularity the records sought and the purpose of the request; and
- (c) The records are relevant to the purpose of the request.

All records shall be inspected at the office of the Association. At the discretion of the Board, certain records may only be inspected in the presence of a member of the Board of Directors or his or her agent. No records may be removed from the Association's office without the express written consent of the Board of Directors.

**11.4 Costs.** The Association may charge a fee for inspection and photocopies, which may be collected in advance but which shall not exceed the Association's actual cost for the same.

**11.5 Limitations.** This Article shall not be construed to affect:

(a) The right of an Owner to inspect records;

1. Pursuant to corporate statutes governing the inspection of lists of shareholders or owners prior to an annual meeting; or

2. If the Owner is in litigation with the Association, to the same extent as any other litigant; or

(b) The power of a court, independently of this Article or the CCIOA or the Act, to compel the production of Association records for examination on proof by an Owner of proper purpose.

(c) In addition, and consistent with individual Owners rights to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Directors:

1. Confidential personnel records;

2. Confidential litigation files;

3. Inter-office memoranda, preliminary data, working papers and drafts and general information or investigations which have not been formally approved by the Board of Directors;

4. Owner's telephone numbers.

5. Owner's email addresses.

(d) Further, in determining whether records may be inspected, the Board of Directors shall consider, among other things, whether;

1. The request is made in good faith or for a purpose other than that stated in the inspection request;

2. The requesting party has improperly used information secured through a previous inspection of the records;

3. The disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy;
4. The disclosure may result in an invasion of personal privacy, breach of confidence or privileged information; and
5. The disclosure would unreasonably interfere with or improperly disrupt the operation of the Association.

**11.6 Damages.** The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorney's fees, for abuse of these inspection rights, including, but not limited to, use of any records for a purpose other than what is stated in the inspection request.

## ARTICLE XII MISCELLANEOUS

**12.1 Committees.** The Board of Directors shall appoint Committees as deemed appropriate in carrying out its purposes and can remove appointees with or without cause.

**12.2 Financial Statements.** Any Eligible Mortgagee shall be entitled, upon written request, to an audited Financial Statement for the immediately preceding fiscal year, if an audit has been performed, free of charge to the party so requesting. Any Financial Statements so requested shall be furnished within a reasonable time following such request.

**12.3 Fiscal Year.** The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, unless changed by the Board of Directors. The first year shall begin on the date of incorporation.

**12.4 Waiver.** No restriction, condition, obligation, or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**12.5 Interpretation.** The provisions of these Bylaws shall be liberally construed to effect the purpose of ensuring that the Common Areas of Vale View shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Lot Owner.

IN WITNESS WHEREOF, the undersigned have hereto set their hands this 19<sup>TH</sup> day of SEPTEMBER, 2013.

VALE VIEW HOMEOWNERS ASSOCIATION

Director

Director

Director