

BYLAWS OF THE TANGLEWOOD ACRES HOMEOWNERS ASSOCIATION

Adopted By The
MEMBERS OF THE ASSOCIATION
on
September 1, 1999

Article I

1.1 PRINCIPAL OFFICE. The principal office of the CORPORATION in the state of Colorado shall be located in the town of Westcliffe, Colorado, County of Custer.

1.2 REGISTERED OFFICE OF REGISTERED AGENT. The CORPORATION shall have and continuously maintain in the state of Colorado, a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado nonprofit CORPORATION Act. The registered office may be, but need not be identical with the principal office of the CORPORATION in the state of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors. The registered agent shall be _____ and the address of the registered agent office shall be _____, Westcliffe, CO, 81252

Article II MEMBERS

2.1 QUALIFICATION FOR A MEMBERSHIP. The Membership of owners shall include only those maintaining property ownership, which includes keeping their property tax payments current and making their annual assessment payment on a timely basis. This will be defined as no later than March 31 of the privilege year. The year for which the privilege runs starts January 1 and ends December 31. For example, a timely payment made before March 31, 1999 covers the 1999 privilege year.

MEETINGS OF MEMBERS

2.2 ANNUAL MEETING. An annual meeting of the Members shall be held during the month of July each year, beginning with the year 1999, for the purpose of nominating Directors and for the transaction of other business as may come before the meeting. The election of Directors shall be by mail out ballot, to be returned to any of the Directors no later than 90 days after the annual meeting. Special meetings of the Members shall be

called by notice in writing to the Members at least 10 days but not more than 50 days prior to the meeting, the same way a special meeting of the Board of Directors can be called. Such meeting shall be held using Robert's Rules of Order for parliamentary procedure purposes.

2.3 QUORUM. A quorum as to the Members shall be the number of property owners appearing at any annual meeting or any special meeting called in accordance with these Bylaws, but under no circumstances shall a quorum constitute less than five property owners.

2.4 VOTING. Voting at any meeting can occur by written or verbal proxy delivered to any Director no later than one hour before the scheduled time for the meeting. One vote shall be allowed for each assessment paid, but in no event shall more votes be allowed than the number of lots owned.

2.5 RESOLUTIONS. A majority vote of members shall make effective any resolution (not otherwise covered by the Bylaws) brought before the Membership at a properly called annual or special meeting of the Members.

ARTICLE III BOARD OF DIRECTORS

3.1 GENERAL POWERS. The affairs of the CORPORATION shall be managed by its Board of Directors. The Directors need not be residents of Colorado but must be property owners. The Directors shall be what has been in the past denominated Road Commissioners, and the names Director in Road Commissioner shall hereinafter be interchangeable. The Directors will maintain the jointly and commonly owned portions of real property currently owned by the Tanglewood acres property owners. The Directors shall collect assessments and pay all legally incurred debts and bills of the CORPORATION. They shall also determine after receiving approval for the proposed budget from the Membership at the annual meeting, the amount of the upcoming annual assessment.

3.2 NUMBER, TENURE AND QUALIFICATIONS. The number of Directors shall be not less than three (3) and no more than nine (9). The Directors named in the Articles of Incorporation shall serve for an initial term of three (3) years. Each member of the Board of Directors thereafter elected shall serve for term of three (3) years, unless earlier removed by a majority vote of the Members, or by reason of their death or resignation. No Director shall serve for more than two (2) consecutive terms or six (6) consecutive years, whichever occurs first. Ballots shall be retained and available for

examination at the next property owners meeting. All nominations for Directors shall be made at the annual meeting. Election ballots shall be disseminated no later than 30 days after the annual meeting and returned to the Directors no later than September 1 after the meeting in which the nomination was made. Late votes will not be counted. The Director's term will start the following January 1st.

3.3 SPECIAL 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 be otherwise called, the place of that meeting shall be the registered office of the CORPORATION in the state of Colorado, but, if all the Directors shall meet at any time and place, either within or without the state, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such corporate meeting action may be taken.

3.4 NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of any meeting of Members or Directors shall be delivered, either personally or by mail, to each Member or Director not less than ten (10) or more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member or Director of his/her address as it appears in the records of the CORPORATION with postage thereon prepaid.

3.5 INFORMAL ACT BY DIRECTORS. Any action required by law to be taken at a meeting of the Directors or any action which may be taken at a meeting of the Directors 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.

3.6 QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the Board but if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

3.7 MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

3.8 VACANCIES. Any vacancy occurring in the Board of Directors and any Directorship to be filled by reason of an increase in the number of Directors shall be filled only at a meeting of the Members.

ARTICLE IV OFFICERS

4.1 OFFICERS. The Officers of the CORPORATION shall be a President, a Vice President, a Secretary/Treasurer, and an Auditor. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one more Assistant Treasurers as it shall deem desirable. Such officers shall have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the office offices of President and Secretary.

4.2 ELECTION AND TERM OF OFFICE. The officers of the CORPORATION shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his/her successor shall have been duly elected and shall have qualified.

4.3 REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the CORPORATION would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officers are removed.

4.4 PRESIDENT. The President shall be the principal executive officer of the CORPORATION and shall in general supervise and control all of the business and affairs of the CORPORATION. He/she shall preside at all meetings of the Members of the Board of Directors. He/she may sign, with the Secretary or any other proper officer of the CORPORATION 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 Bylaws or by statute to some other officer or agent of the CORPORATION, and in general he 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.

4.6 TREASURER If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties and in such sum and with surety or sureties

as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the CORPORATION, receive and give receipts for monies due and payable to the CORPORATION from any source whatsoever, and deposit all such monies in the name of the CORPORATION in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article V of these Bylaws, and in general perform all the duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

4.7 SECRETARY. The Secretary shall keep the minutes of the meetings of the Board of Directors, give all notices in accordance with the provisions of these Bylaws or as required by law; be custodian of the CORPORATION records and of the seal of the CORPORATION, and affix the seal of the CORPORATION 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 Bylaws; keep a register of the post office addresses of each Director which shall be furnished to the Secretary by each director, and 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/her by the President or by the Board of Directors.

ARTICLE V CONTRACTS, CHECKS, DEPOSITS AND FUNDS

5.1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents of the CORPORATION, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the CORPORATION. Such authority may be general or confined to specific instances.

5.2 CHECKS AND DRAFTS. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the CORPORATION shall be signed by such officer or officers, agent or agents of the CORPORATION, and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and counter signed by the President or Vice President of the CORPORATION.

5.3 DEPOSITS. All funds of the CORPORATION 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 select.

ARTICLE VI
BOOKS AND RECORDS

6.1 The CORPORATION shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board of Directors and committees by having any of the authority of the Board of Directors, and shall keep at the registered principal office a record giving the names and addresses of the Directors. All books and records of the CORPORATION may be inspected by any Member or his/her agent or attorney for any proper purpose at any reasonable time.

ARTICLE VII
FISCAL YEAR

7.1 The fiscal year of the CORPORATION shall be the calendar year.

ARTICLE VIII
AMENDMENT TO BYLAWS

8.1 These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a two thirds majority of the Members present at any regular meeting or at any special meeting, if at least 30 days written notice is given of intention to alter, amend, or repeal these Bylaws or to adopt new Bylaws at such meeting.

The undersigned being the Secretary of Tanglewood Homeowners Association, do hereby certify the foregoing to be the Bylaws of the said CORPORATION, as adopted by the Members effective September 1, 1999.

(Signed) Ethel MacQueen, Secretary