



**BYLAWS
OF
THE VILLAGE AT PEREGRINE
HOMEOWNERS ASSOCIATION, INC.**

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**ARTICLE I
OFFICES**

SECTION 1.1 BUSINESS OFFICE. THE PRINCIPAL OFFICE OF THE VILLAGE AT PEREGRINE HOMEOWNERS Association, Inc., a Colorado nonprofit corporation (the “Association”), shall be located in Colorado Springs, Colorado.

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Section 1.2 Registered Office. The registered office of the Association required by the Colorado Nonprofit Corporation Act to be maintained in Colorado may be, but need not be, the same as the principal office, and the address of the registered office may be changed from time to time by the Board of Directors or by the officers of the Association.

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**ARTICLE II.
MEMBERS**

Section 2.1 Membership. The Association shall have one class of voting members. The qualifications for and terms of voting rights, of the Members, shall be as set forth from time to time in the Declaration of Covenants, Conditions, Restrictions and Easements for Peregrine (*Section 301*) and the Supplemental Protective Covenants [*The Village at Peregrine*] (*Section 2.18*) including amendments thereto (the “Declaration”).

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Section 2.2 Assessments. Members shall be obligated to pay Assessments to the Association as provided in the Declaration.

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Section 2.3 Suspension and Termination of Membership. A Member who fails to pay any assessment or other amount owed to the Association within ten days after written notice of such failure to pay is delivered to such Member shall be automatically suspended from membership until all such dues and assessments are fully paid, at which time such Member shall be automatically reinstated. During any period of suspension a Member shall not be entitled to exercise the rights and privileges of membership, including without limitation the right to vote.

Section 2.4 Transfer of Membership. Membership in the Association is nontransferable except in connection with the transfer of the Member's Lot. Members shall have no ownership rights or beneficial interests of any kind in the assets of the Association, except as expressly provided in the Declaration.

5 Section 2.5 Annual Meeting of Members. An annual meeting of the Members shall be held
in the month of November, at the time and place, within the City of Colorado Springs, Colorado,
determined 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
10 legal holiday in 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 the annual meeting of the
Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a
meeting of the members as soon thereafter as may be convenient. Failure to hold an annual meeting as
required by these bylaws shall not work a forfeiture or dissolution of the Association or invalidate any
action taken by the Board of Directors or officers of the Association.

15 Section 2.6 Special Meetings. Special meetings of the Members, for any purpose or
purposes, unless otherwise prescribed by statute, may be called by the president of the Board of
Directors, and shall be called by the president or the request of Members having at least twenty percent
of the votes entitled to be cast at such meetings.

20 Section 2.7 Place of Meeting. Each meeting of the Members shall be held at such place
within Colorado Springs, Colorado, as may be designated in the notice of meeting, or, if no place is
designated in the notice, at the registered office of the Association in Colorado.

25 Section 2.8 Notice of Meeting. Except as otherwise prescribed by statute, written notice of
each meeting of the Members stating the place, day and hour of the meeting, and, in the case of a
special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less
than ten nor more than fifty days before the date of the meeting, either personally, or by first class
mail, *or by electronic transmission*, by or at the direction of the president, or the secretary, or the other
officer or person calling the meeting. If mailed such notice shall be deemed delivered when deposited
in the United States mail, addressed to each Member at such member's address as it appears in the
30 records of the Association, with postage thereon prepaid. Any Member may waive notice of any
meeting before, at or after such meeting. The attendance in person or by proxy of a Member at a
meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting
for the express purpose of objecting to the transaction of any business because the meeting is not
lawfully called or convened.

35 Section 2.9 Proxies. At each meeting of the members, a Member entitled to vote thereat may
vote by proxy executed in writing by the Member or by such member's duly authorized attorney in
fact. Such proxy shall be filed with the secretary of the Association 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.

40 Section 2.10 Quorum. Except as otherwise required by the laws of Colorado or the articles of
incorporation, ten percent of the members entitled to vote shall constitute a quorum at each meeting of
the Members, and, except as otherwise expressly provided in the Declaration, the articles of
incorporation or these bylaws, the affirmative vote of a majority of the Members represented at a
meeting at which a quorum is present and entitled to vote on the subject matter shall be the act of the
Members; provided, however, that an affirmative vote of two-thirds of the Members represented at a
45 meeting at which a quorum is present and entitled to vote thereon shall be required to amend the
articles of incorporation or to adopt a plan of merger, consolidation or liquidation, as provided in the
Declaration, may be taken at any meeting without the presence and approval of Declarant. If less than
a quorum of the members are represented at a meeting, a majority of the Members so represented may
adjourn the meeting from time to time for a period not to exceed sixty days at any one adjournment
50 without further notice other than an announcement at the meeting. 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 notified. Notwithstanding the absence of a quorum at a meeting held pursuant to Section 11.6 (a) or the Declaration to consider the Association's annual budget, Common Assessments or Special Assessments, the proposed annual budget, Common
 5 Assessment of Special Assessment, as the case may be, shall be deemed rectified at the meeting unless it is rejected by a majority of the Members of the Association, as provided in Section 11.6 (a) of the Declaration.

Section 2.11 Voting.

Each voting Member is entitled to one vote on each matter submitted to a vote of the Members entitled
 10 to vote thereon either at a meeting thereof or pursuant to Section 2.13. Cumulative voting shall not be allowed.

(b) The right to vote of any Member which is a corporation or unincorporated association may be exercised by such officer, agent or proxy as the bylaws, constitution or other governing instrument of such corporation or association may prescribe or, in the absence of such provision, as the board of
 15 directors of such corporation or association may determine.

(c) Members may vote by mail, but only in connection with the election of directors, for or against a proposed amendment to the articles of incorporation, and for or against a proposed plan of merger, consolidation or liquidation. Election of any directors by mail shall require at least a majority of the votes which all Members are entitled to cast in the election. To amend the articles of incorporation or
 20 to adopt a plan of merger, consolidation or liquidation by mail vote shall require the affirmative vote of at least two-thirds of the votes which all Members are entitled to cast on such question.

Section 2.12 Committees. The Members at any time and from time to time may establish one or more committees of Members for any appropriate purposes and may dissolve any such committee. Either the members of the Association or the members of the committee shall elect a chairperson who
 25 shall preside at all meetings of the committee and generally supervise the conduct of the committee's affairs shall be as established by the committee.

Section 2.13 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Members or any committee thereof 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
 30 respect to the subject matter thereof. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the Members entitled to vote thereon.

ARTICLE III.

BOARD OF DIRECTORS

Section 3.1 General Powers. The business and affairs of the Association shall be managed by
 35 its Board of Directors (*the Board*), except as otherwise provided in the Colorado Nonprofit Corporation Act, the articles of incorporation or these bylaws.

Section 3.2 Directors During Declarant Control Period. Deleted

Section 3.3 Directors The number of directors of the Association shall be set at not less than five or more than seven. Sufficient directors shall be elected at each Annual Meeting to maintain at
 40 least five directors.

- (a) Each director so elected shall hold office until such director's successor shall have been elected and qualified or until such director's earlier death, resignation or removal.
- (b) Directors must be at least eighteen years old, and a Member of the Association.
- 45 (c) Directors shall be removable in the manner provided by the statutes of Colorado.

- (d) Any action of the Members or Board of Directors to increase or decrease the number of directors, whether expressly by resolution or by implication through the election of additional directors, shall constitute an amendment of these bylaws effecting such increase or decrease.

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Section 3.4 Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. A director's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum. A director elected to fill a vacancy shall be elected for the unexpired term of such director's predecessor in office. Any directorship to be filled by reason of an increase in the number of shall be filled by the affirmative vote of a majority of the directors then in office or by an election at a meeting of the Members called for that purpose, and a director so chosen shall hold office until the next election of directors and thereafter until such director's successor shall have been elected and qualified or until such director's earlier death, resignation or removal.

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Section 3.5 Regular Meeting. A regular meeting of the Board shall be held immediately after and at the same place as the annual meeting of the Members, or as soon as practicable thereafter at the time and place determined by the Board, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The Board may provide by resolution the time and place within the City of Colorado Springs, Colorado, for the holding of additional regular *Board* meetings.

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Section 3.6 Special Meetings. Special meetings of the Board may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board may fix place within the City of Colorado Springs, Colorado, as the place for holding any special meeting of the Board called by them.

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Section 3.7 Notice. Notice of each meeting of the Board of Directors stating the place, day and hour of the meeting shall be given to each director at such director's address *of record* at least five days prior thereto by the mailing of written notice by first class, or at least two days prior thereto by personal delivery of written notice or by telephonic, *or electronic transmission* notice (and the method of notice need not be the same as to each director). If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage thereon prepaid. If transmitted by *electronic transmission*, such notice shall be deemed to be given when the transmission is complete. The foregoing notice requirements do not apply to regular meetings of the Board for which the time and place have been established by resolution of the Board, provided that all directors have actual notice of such resolution. No notice is required for such regularly scheduled meetings. Any director may waive notice of any meeting before, at or after such meeting. The attendance of a director at a 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 is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

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Section 3.8 Presumption of Assent. A director of the Association who is present at a meeting of the Board at which action on any *Association* matter is taken shall be presumed to have assented to the action taken unless such director's dissent shall file a 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 mail to the secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

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Section 3.9 Quorum and Voting. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board. The vote of a majority of the directors present in

Section 4.5 Vacancies. Any officer may resign at any time by giving written notice to the president or to the Board. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the Board for the unexpired portion of the term.

Section 4.6 Authority and Duties of Officers. The officers of the Association shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the president, the Board or these bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

- 10 (a) President. The president shall, subject to the direction and supervision of the Board: (i) be the chief executive officer of the Association and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) preside at all meetings of the Members and of the Board; (iii) see that all orders and resolutions of the Board are carried into effect; and (iv) perform all other duties incident to the office of president and as from time to time may be assigned to such office by the Board.
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- (b) Vice-President. The vice-president or vice-presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board. The vice-president (or if there is more than one, then the vice-president designated by the Board, or if there be no such designation, then the vice-presidents in order of their election) shall, at the request of the president, or in the president's absence or inability or refusal to act, perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions on the president.
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- (c) Secretary. The secretary shall: (i) keep the minutes of the proceedings of the Members, the Board and any committees of the members or the Board; (ii) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the Association; (iv) keep at the Association's registered office or principal place of business within Colorado a record containing the names and addresses of all Members; and (v) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to such office by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.
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- (d) Treasurer. The treasurer shall (i) be the principal financial officer of the Association and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board; (ii) receive and give receipts and acquittances for moneys paid in on account of the Associations, and pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity; (iii) be the principal accounting officer of the Association, if any, prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the Board statements of account showing the financial position of the Association and the results of its operations; (iv) upon request of the Board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to such office by the president or the Board.
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- Assistant treasurers, if any shall have the same powers and duties, subject to the supervision by treasurer.

Section 4.7 Surety Bonds. The Board may require any officer or agent of the Association to execute to the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of such person's duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Association.

Section 4.8 Financial Responsibilities. As required by Section 306(3) of the Colorado Common Interest Ownership Act, Section 38-33.3-306 (3), Colorado Revised Statutes, if the Members or Board delegates powers of the Board or officers relating to the collection, deposit, transfer or disbursement of Association funds to any other person or any managing agent such person or managing agent shall:

- (a) maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher amount as the Board of Directors may require;
- (b) maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the managing agent and maintain all reserve accounts of the Association separate from operational accounts of the Associations; and
- (c) present to the Association annually an accounting of Association funds and a financial statement prepared by the managing agent, a public accountant or a certified public accountant.

ARTICLE V.

INDEMNIFICATION

The Association shall indemnify all directors, officers and their heirs, personal representatives and administrators, against all losses, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made parties by reason of being or having been directors or officers of the Association, except as to matters where they or any of them shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his or her duty as such director, officer or committee member in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director, officer or committee member may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions, to the extent not covered by insurance, shall be treated and handled by the Association as common expenses. Nothing in this Article shall be deemed to obligate the Association to indemnify any Member who is or has been a director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by such Member under the Declaration by virtue of the Member's ownership of a Lot.

ARTICLE VI.

MISCELLANEOUS

Section 6.1 Account Books, Minutes, Etc. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board and committees. All books and records of the Association may be inspected by any Member or director, or such person's authorized agent or attorney, for any proper purpose at any reasonable time.

Section 6.2 Fiscal Year. The fiscal year of the Association shall be as established by the Board.

Section 6.3 Conveyances and Encumbrances. Property of the Association may be assigned, conveyed or encumbered by such officers of the Association as may be authorized to do so by the

Board, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of property and assets of the Association shall be authorized only in the manner prescribed by applicable statute.

5 Section 6.4 Conflicts of Interest. If any person who is a director or officer of the Association is aware that the Association is about to enter into any business transaction directly or indirectly with such person, any member of such person's family, or any entity in which such person has any legal, equitable or fiduciary interest or position, including with limitation as a director, officer, shareholder, partner, beneficiary or trustee, such person shall: (a) immediately inform those charged with
10 approving the transaction on behalf of the Association of such person's interest or position; (b) aid the persons charged with making the decision by disclosing any material facts within such person's knowledge that bear on the advisability of such transaction from the standpoint of the Association; and (c) not be entitled to vote on the decision to enter into such transaction.

15 Section 6.5 Loans Prohibited. No loans shall be made by the Association to any of its directors, officers or Members. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until it is repaid.

20 Section 6.6 Amendments to Bylaws. These bylaws may be altered, amended or repealed, and new bylaws may be adopted upon approval of a majority of all the members of the Board then in office and voting at a meeting at which a quorum is present and of which notice has been given in accordance with these bylaws; provided, however, that no change to these bylaws shall limit or repeal the voting
rights of any Member unless such change is adopted by the affirmative vote of a majority of the Members and unless the Declaration is also amended accordingly in accordance with the requirements of the Declaration.

25 Section 6.7 Amendments to Declaration. The Declaration may be amended as provided in the Declaration. Any amendments to the Declaration which require the approval of the Members *of the Association* or its Board may be executed, certified and recorded by the president or a vice-president, provided that the signature of the president or vice-president on the amendment is attested to by one other officer of the Association.

30 Section 6.8 Severability. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

 Section 6.9 Definitions. Capitalized terms used in these bylaws and not expressly defined herein shall have the meanings set forth in the Declaration.

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