

BYLAWS
OF
STRATTON FLATS
MASTER ASSOCIATION, INC.

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**BYLAWS OF
STRATTON FLATS MASTER ASSOCIATION, INC.**

**ARTICLE I
Name and Location**

The name of the corporation is the Stratton Flats Master Association, Inc. (the “Master Association”), a Colorado nonprofit corporation. The Property is located in the Town of Gypsum, Eagle County, Colorado as described in the Master Association’s Declaration.

**ARTICLE II
General Matters**

2.1 Purposes. The specific purposes for which the Master Association is formed are set forth in paragraph 4.02(a) of the Declaration of Covenants, Conditions and Restrictions for Stratton Flats Master Association, which is recorded in the Eagle County Records. The specific purpose of these Bylaws is to provide for the administration, management and governance of the Master Association in accordance with the Declaration and subject to the provisions of the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act (as they may be amended and supplemented from time to time).

2.2 Principal Office. The principal office of the Master Association shall be located at 28 Second Street, Suite 213, Edwards, Colorado 81632 or at such other place as may be hereinafter designated from time to time by the Executive Board.

2.3 Definitions. Each capitalized term used herein without definition shall have the meanings specified in the Act, the Declaration, or as hereinafter defined.

(a) “Governing Documents” shall mean the Articles, Declaration, Plat, Bylaws, Act, Nonprofit Corporation Act, and Rules and Regulations (including any governance policies), all as such may be amended from time to time.

(b) “Member” shall mean an Owner.

(c) “Member of Record” shall mean the individual appointed by all Owners of a Site in the situation in which an entity or more than one Person is the Owner of the Site.

(d) “Nonprofit Corporation Act” shall mean Articles 121 to 137 of Title 7 of the Colorado Revised Statutes (as amended and supplemented from time to time) or any successor legislation to these statutes, commonly known as the Colorado Revised Nonprofit Corporation Act.

(e) "Roster" shall mean an alphabetical list of the names of all Members who are entitled to receive notice of meeting which shall include the addresses and Voting Interest of each Site owned by a Member entitled to vote.

(f) "Sanctions" shall mean the suspension of the right and privileges of an Owner, including voting, or the imposition of monetary penalties or other actions authorized or permitted under the Governing Documents and the resolutions adopted, from time to time, by the Executive Board.

(g) "Voting Interest" shall mean the voting rights allocated to each Site pursuant to the Declaration.

ARTICLE III **Membership**

3.1 Composition. Each Owner shall be a Member of the Master Association. If a Site is owned by more than one Person, all such Persons and all Owners of an equity interest or vested beneficial interest in such Person shall be Members of the Master Association. Ownership of a Site within the planned community named "Stratton Flats" shall be the sole qualification for membership in the Master Association.

3.2 Transfer of Membership. The Master Association membership of each Owner shall be appurtenant to the Site giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Site and then only to the transferee of title to said Site. However, any such transfer will not relieve or release any former Owner from any liability or obligations incurred under the Declaration or in any way connected with the Master Association during the period of such ownership, or impair any rights or remedies which the Master Association or others may have against such former Owner arising out of any covenants or obligations incidental to the ownership of a Site and the membership in the Master Association. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Site shall operate automatically to transfer the membership in the Master Association appurtenant thereto to the new Owner thereof.

3.3 Voting Rights.

(a) The Member or Members, subject to the limitations set forth in Section 3.3(b) hereof, shall be entitled to vote in Master Association matters pursuant to the Governing Documents. Only one (1) vote is allocated to each Site. All votes allocated to a Site shall be cast unanimously.

(b) When an entity or more than one Person is the Owner of a Site, the Member who is appointed by all Owners of such Site as the "Member of Record" shall be the Member for voting purposes. All notices shall be sent to, and the vote for such Site shall be exercised, by the Member of Record. All Members shall be responsible for

notifying the Executive Board of the name and address of their Member of Record, if any.

(c) The vote of each Site may be cast only as a whole, and split votes shall not be allowed. If the Member of Record casts a vote representing a Site, it will thereafter be conclusively presumed for all purposes that he or she was acting with the authority and consent of all other Owners of that Site. The Master Association shall only be required to accept the vote cast by the Member of Record. However, if only one of the multiple owners of a Site is present in person or via proxy at a meeting of the Master Association, such Member shall be entitled to cast the vote allocated to that Site.

(d) Except where a greater number is required by these Bylaws, the Act, the Nonprofit Corporation Act, or the Declaration, a Majority vote of Members having voting rights is required to adopt decisions at any meeting of the Association.

(e) The Executive Board shall have the right to impose the Sanction of limiting or prohibiting voting by the Member for the period during which any Assessment owed by the Member remains unpaid and delinquent. The Executive Board shall also have the right to impose other Sanctions for any other failure to comply with the Governing Documents by any Member or his or her Guest; however, any Sanction shall be imposed by the Executive Board only in compliance with the Declaration.

Any proceeding challenging a Sanction, including a proceeding in which defective notice is alleged, shall be commenced within one year or after the effective date of the Sanction. Imposition of a Sanction shall not relieve a Member for the payment of any Assessments or other fees or charges due to the Association.

3.4 Representation on Executive Board. If title to a Site or Sites is held by a firm, corporation, partnership, association, limited liability company, other legal entity or any combination thereof, then such entity may appoint, by a writing furnished to the Master Association, a delegate who is a Member to represent such Site as a candidate for, and if elected, as a member of, the Executive Board.

ARTICLE IV

Association – Meeting, Quorum, Voting and Proxies

4.1 Place, Manner and Frequency of Meetings. Meetings of the Members will be held at least once each year at the principal office of the Association or at such other suitable place convenient to the Members, as the Executive Board may determine. Any or all of the Members may participate in an annual or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting.

4.2 Annual Meetings. The annual meeting of the Members shall generally be held in January of each year. The Executive Board may elect to change the date, time and place of the annual meeting. At such annual meeting, the Executive Board shall be elected by ballot of the Members having voting rights in accordance with the requirements of Article V of these Bylaws and such other business as may properly come before the meeting may be transacted.

4.3 Special Meetings. Special meetings of the Members may be called at any time by the president of the Master Association. It shall also be the president's duty to call a special meeting if so directed by Executive Board resolution or upon a petition signed by the Members having voting rights who represent at least twenty percent (20%) of the votes of the Association.

4.4 Notice of Meetings. By or at the direction of the president or the secretary, written or printed notice of any meeting of the Members stating the date, time, place, 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 member of the Executive Board, shall be provided not less than ten (10) nor more than fifty (50) days before the date of such meeting. Such notice shall be delivered by hand or sent prepaid by United States mail to the mailing address of Members having voting rights or to any other mailing address designated in writing by such Member.

The notice of any meeting of the Members shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. If electronic means are available, the Association shall provide notice of all annual and special meetings of Members by electronic mail to all Members who so request and who furnish the Master Association with their electronic mail addresses.

In the case of a special meeting of the Members, only business within the purpose or purposes described in the notice of the meeting may be conducted at the meeting.

4.5 Notice of Certain Agenda Items. If action is proposed to be taken at any meeting of the Members to approve any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice includes a description of any matter or matters that must be approved by the Members or for which the Members' approval is sought.

- (a) Proposal to approve or ratify a conflicting interest transaction;
- (b) Proposal to indemnify or advance expenses to a Director in connection with a proceeding by or in the right of the Master Association;
- (c) Proposal to amend the Master Association's Articles of Incorporation, Bylaws and/or the Declaration;
- (d) Proposal to approve a plan of conversion, plan of merger, or dissolution of the Association (accompanied by a copy of the plan or a summary thereof); and

(e) Any matter or matters that must be approved by the Members under the Act or Nonprofit Corporation Act.

4.6 Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may waive, in a signed writing, notice of any meeting of the Members, either before or after such meeting. The signed waiver may be included in the minutes or filed with the Master Association's records. Attendance at a meeting by a Member shall be deemed a waiver by such Member of proper notice of the meeting, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

4.7 Quorum. Except as set forth below, the presence in person or by proxy of Members holding twenty percent (20%) or more of the votes in the Master Association shall constitute a quorum at all meetings of the Members.

If a meeting is called but the quorum requirement is not satisfied, such meeting may be adjourned pursuant to Section 4.9 below and the quorum requirement for the next called meeting shall be reduced to the presence in person or by proxy of Members holding ten percent (10%) or more of the votes in the Master Association.

The Members present at a duly called and held meeting at which a quorum is present may continue to do business until adjournment, and the withdrawal of enough Members so that less than a quorum is present shall not invalidate any action taken if the action taken is approved by at least a majority of the Members required to constitute a quorum for that meeting.

4.8 Secret Ballots. When any vote is taken by the Members for the election of a Director, such election shall be held by secret ballot. In addition, at the discretion of the Executive Board or upon the request of twenty percent (20%) of the Members having voting rights who are present at a meeting or represented by proxy, if a quorum has been achieved, any other vote to be taken by the Members shall be conducted via secret ballot. The results of any vote taken by the Members shall be counted by a neutral third Person or a committee of volunteers. Such volunteers shall be Members who are selected or appointed at an open meeting, in a fair manner, by the person presiding during that portion of the meeting. The volunteers shall not be members of the Executive Board and, in the case of a contested election, shall not be candidates for a position on the Executive Board. In announcing the results of any vote taken by secret ballot, no identifying information of Members participating in such vote shall be disclosed by the Master Association.

4.9 Adjournment of Meetings. Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the affirmative vote of the Members holding a majority of the votes of the Members of the Master Association represented at such meeting in person or by proxy; but, in the absence of a quorum, no other business may be transacted at any such meeting unless these Bylaws or the Declaration otherwise provide.

When any membership meeting, either annual or special, is adjourned, notice of the reconvening of the adjourned meeting shall not be required so long as the new date, time and place are announced at the meeting so adjourned. If, however, the original meeting is adjourned to a date more than seventy (70) days after the record date for determining the Members entitled to notice of such original meeting, the Executive Board shall fix a new date for determining the right to notice and/or the right to vote at the adjourned meeting. Subject to the foregoing, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting, other than by an announcement at the meeting at which such adjournment is taken.

4.10 Order of Business. Unless modified by the Executive Board or by a Majority vote of Members having voting rights, the order of business at annual Members' meetings and, as far as practicable at all other Members' meetings, shall be:

- (a) Call to order;
- (b) Calling of the roll and certifying of proxies;
- (c) Reading and disposal of any unapproved minutes;
- (d) Report of Manager;
- (e) Report of the Executive Board, including the report of the president of the activities of the Master Association and of the treasurer on the financial condition of the Master Association;
- (f) Election and appointment of Executive Directors, as appropriate;
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment.

4.11 Actions Binding on Members. A Majority of votes intended to be cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Members, unless a different number or method of voting is expressly required by statute or by the Master Association's Governing Documents.

4.12 Action without Meeting by Written Ballot. Any action, which under the provisions of the Act may be taken at a meeting of the Members, may be taken without a meeting and without prior notice if:

(a) A written ballot is distributed to every Member entitled to vote that states each proposed action and provides an opportunity to specify approval or disapproval of each action proposed; and

(b) The number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements and, with respect to ballots other than for the election of Directors, shall state the percentage of votes necessary to pass the measure submitted. The solicitation must specify the time by which the ballot must be received in order to be counted, that the ballot must be signed by the Member voting, and that a ballot received within the specified time will be cast in accordance with the choice(s) specified by the Member casting the ballot. Each solicitation for votes by written ballot shall also be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

Any Member casting a ballot, or the proxy holder of such a Member, may revoke the ballot or substitute another by a writing received by the Association prior to the time specified in the solicitation pursuant to the preceding paragraph, but may not do so thereafter. Such revocation is effective upon its receipt by the secretary of the Master Association.

4.13 Proxies.

(a) Every Member entitled to vote or execute consents shall have the right to do so either in person, or by an agent authorized by a written proxy executed by such Member as his or her duly authorized agent and filed with the secretary or other authorized agent of the Master Association prior to the commencement of the meeting at which the proxy is to be exercised. A form of proxy may be distributed to each Member entitled to vote by the Master Association to afford him, or her, the opportunity to vote in absentia at a meeting of the Members if it meets the requirements for a written ballot as set forth in Section 4.12. A valid proxy must state the name of the individual designated as the Member's authorized agent, state the name of the authorizing Member, and be signed and dated by such authorizing Member. The Executive Board as a body cannot be designated as the authorized agent.

(b) Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Site for which it was given, (b) receipt by the person presiding over a meeting of the Master Association of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, from the date of the proxy, unless a shorter period is specified in the proxy. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the

secretary or other authorized agent of the Master Association at or before the appointed time of the meeting at which the proxy will be voted.

(c) In any election of Directors, any proxy or written ballot that is marked by a Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director. Failure to comply with this Section shall not invalidate any election taken, but may be the basis for challenging the proxy at a meeting.

4.14 Record Date. The Executive Board may fix a date in the future as a record date for the determination of the Members entitled to notice of, and to vote at, any meeting of Members. The record date so fixed shall not be more than thirty-five (35) or less than ten (10) days prior to any action. When a record date is so fixed, only Members of Record on that date shall be entitled to notice of and to vote at the meeting, notwithstanding any transfer of a Site after the record date.

If no record date is fixed in accordance with the provisions of the preceding paragraph, the record date for determining those Members entitled to receive notice of, or to vote at, a meeting of Members shall be the business day immediately preceding the day on which notice is given. The record date for determining those Members entitled to vote by ballot on an action without a meeting shall be the day on which the Executive Board adopts the resolution soliciting a vote of the Members by ballot relating to that action. For purposes of this Section, a Person holding membership as of the close of business on the record date shall be deemed the Member of Record.

4.15 Inspectors of Election and Ballot Provisions.

(a) In advance of any meeting of Members, the Executive Board may appoint inspectors of election to act at such meeting and any adjournment thereof. If inspectors of election are not so appointed, or if any Persons so appointed fail to appear or refuse to act, the chairman of any such meeting may, and on the request of any Member or Member's proxy shall, make such appointment at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more Members or proxies, the majority of Members represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

(b) The duties of such inspectors shall include: determining the number of memberships outstanding and the voting power of each; determining the membership represented at the meeting; determining the existence of a quorum; determining the authenticity, validity and effect of proxies; receiving votes, ballots or consents; hearing and determining all challenges and questions in any way arising in connection with the right to vote; counting and tabulating all votes or consents; determining when the polls shall close; determining the result; and doing such acts as may be proper to conduct the election or vote with fairness to all Members as further described in subsection (c) hereof. If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

(c) Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Members who are selected or appointed at an open meeting, in a fair manner, by the chair of the Executive Board or another person presiding during that portion of the meeting. The volunteers shall not be Executive Board Members and, in the case of a contested election for an Executive Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Site Owners participating in such vote.

4.16 Action without a Meeting. No action taken pursuant to Section 4.12 shall be effective unless written ballots describing and consenting to the action, signed by Members having voting rights sufficient to satisfy the requirements of Section 4.12 to take the action, are received by the Master Association within sixty (60) days after receipt of the earliest dated consent received by the Master Association. Such consenting written ballots shall be filed with the minutes of the Master Association and shall have the same force and effect as a vote of the Members at a meeting. Within ten (10) days after receiving conclusive authorization for any action by written ballot, the secretary shall give notice of such action to all Members entitled to vote upon the action which fairly summarizes the material features of the authorized action.

ARTICLE V **Executive Board**

5.1 Number and Qualifications. The business and affairs of the Master Association shall be managed by an Executive Board. During the Declarant Control Period, the Executive Board shall consist of three (3) Directors. Upon the conclusion of the Declarant Control Period, the Executive Board shall consist of seven (7) Directors in accordance with Section 6.02 of the Declaration.

A Director shall be an individual. An individual other than a Director appointed by Declarant shall automatically cease to be a Director at such time as he or she ceases to be an individual Owner or a partner, trustee, officer, Director Member, Member representative, employee, or twenty-five percent (25%) equity owner of an organizational Owner. The terms of the Directors shall be staggered in accordance with Section 6.03 of the Declaration. Subject to the terms and conditions of Article VI of the Declaration, at each annual meeting of the Members thereafter, the Members shall elect a replacement for any Director whose term then expires.

5.2 Election, Removal and Replacement of Directors.

(a) Directors shall be elected in accordance with Section 6.03 of the Declaration.

(b) Directors shall be removed in accordance with Section 6.05 of the Declaration.

(c) Directors shall be replaced in accordance with Section 6.06 of the Declaration.

5.3 Powers. The Executive Board shall have those powers described in Section 6.01 of the Declaration.

5.4 Managing Agent. The Executive Board may employ a manager or managing agent, or both, for the Master Association at a compensation established by the Executive Board to perform such duties and services as the Executive Board shall authorize. Any such delegation, however, shall not relieve the Executive Board of its responsibility under the Declaration.

5.5 Organizational Meetings. The first Executive Board meeting following the annual meeting of the membership at which an election of one or more Executive Board Members occurs shall be held without other notice than this bylaw immediately following at the same place as such meeting of the Members, or within such reasonable time thereafter at such time and place as the Executive Board shall fix, for the purpose of the election of Officers, and for such other business as may come before the meeting.

5.6 Regular Meetings. Regular meetings of the Executive Board may be held without call or formal notice at such places within or outside the State of Colorado, and at such times as the Executive Board from time to time by vote may determine. Any business may be transacted at a regular meeting.

5.7 Special Meetings. Special meetings of the Executive Board may be held at any place within the State of Colorado, or by telephone (provided that each Director can hear each other Director), at any time. Any such meeting shall be called by the president of the Master Association, or by two (2) or more Directors, upon the giving of at least three (3) days' prior notice of the time and place thereof to each Director by (i) leaving such notice with such Director or at such Director's residence or usual place of business, (ii) mailing such notice prepaid, or via e-mail or any other electronic form, addressed to such Director at such Directors' post office address or e-mail address as it appears on the books of the Master Association, or (iii) verbally giving such notice by telephone. Notices need not state the purposes of the meeting unless otherwise required by the Act or the Nonprofit Corporation Act. If a special meeting of the Executive Board is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment.

5.8 Conduct of Meeting Requirements; Waiver of Notice.

(a) All regular and special meetings of the Executive Board, or any committee thereof, shall be open to attendance by all Members or their representatives. Agendas for meetings of the Executive Board shall be made reasonably available for examination by the Members or their representatives. Notwithstanding the foregoing, the Executive Board may hold an executive session in accordance with Section 5.12 of these Bylaws.

(b) In any regular or special meeting of the Executive Board and at a time determined by the Executive Board, but before the Executive Board votes on an issue, Members or their designated representatives shall be permitted to speak regarding that issue. The Executive Board may place reasonable time restrictions on a person speaking during the meeting. The Executive Board shall also provide for a reasonable number of persons to speak on each side of the issue.

(c) No rule or regulation of the Executive Board or any committee thereof shall be adopted during any executive session. A rule or regulation may be validly adopted only during a regular or special meeting of the Executive Board or after the Executive Board goes back into regular session following an executive session. The minutes of all meetings in which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

(d) Transactions of any Executive Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each Director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any Director who attends the meeting protesting before or at its commencement about the lack of adequate notice.

5.9 Telephonic Participation in Meetings. Members of the Executive Board or any committee designated by the Executive Board may participate in a meeting of the Executive Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

5.10 Quorum of Executive Board. At all Executive Board meetings a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the Executive Board's decision, unless otherwise specifically provided in these Bylaws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any Executive Board meeting cannot be held because a quorum is not present, a majority of the Directors present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date of the original meeting. If a quorum is present at the reconvened meeting, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.11 Conduct of Meetings. The president, or a vice president in his absence, shall preside over all Executive Board meetings, and the secretary shall keep a minute book of Executive Board meetings, recording all Executive Board resolutions and all transactions and proceedings occurring at such meetings. The secretary may delegate its minute taking duty to

the manager or other authorized agent to the extent permitted by the Act and Nonprofit Corporation Act.

5.12 Executive Sessions. The Executive Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Executive Board members or the members of such committee, as appropriate, and other persons specified by the Executive Board or committee, as appropriate; provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of C.R.S. Section 38-33.3-308, or other applicable law. Pursuant to C.R.S. Section 38-33.3-308, the matters to be discussed at such an executive session are limited to:

(a) Matters pertaining to employees of the Master Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an Officer, agent, or employee of the Master Association;

(b) Consultation with legal counsel concerning disputes 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 proceeding 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 any written or oral communication from legal counsel.

Prior to the time the members of the Executive Board or committee convene in executive session, the president or acting chair shall announce the general matter of discussion as enumerated in paragraphs (a) through (f) above.

Notwithstanding the foregoing, no rule or regulation of the Executive Board or committee shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Executive Board or committee goes back into regular session following an executive session.

5.13 Action without a Meeting. Any action to be taken at a meeting of the Directors may be taken without a meeting if the action is taken by all members of the Executive Board. The action taken must be evidenced by one or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the Master Association records reflecting the action taken. Such action shall have the same force and effect as a unanimous vote.

5.14 Duties. The Executive Board's duties shall include, without limitation:

(a) Educate and inform the Association's Members, at least on an annual basis, as to the general operations of the Association and the rights and responsibilities of the Owners, Association and Executive Board under Colorado law.

(b) Prepare an annual budget, in which there shall be established the assessment of each Owner of the Common Expenses pursuant to Article VII of the Declaration.

(c) Make assessments against Owners to defray the costs and expenses of the Property, establish the means and methods of collecting such assessments from the Owners, and establish the period of any installment payment of the annual assessment for Common Expenses. Unless otherwise determined by the Executive Board, the annual assessment against each Owner is payable monthly and shall be due on the first day of each month.

(d) Enforce by legal means the provisions of the Governing Documents and provide for the operation, care, upkeep and maintenance of all of the Property and services of the Property.

(e) Designate, hire and/or dismiss the personnel necessary for the maintenance, operation, repair and replacement of the Common Elements, provide services for the Property and, where appropriate, provide for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties, which supplies and equipment shall be deemed part of the Property.

(f) Collect the assessments against the Owners, deposit the proceeds thereof in bank depositories designated by the Executive Board and use the proceeds to carry out the administration of the Property.

(g) Make, amend and repeal the Rules and Regulations including any governance policies.

(h) Open bank accounts on behalf of the Master Association and designate the signatories thereon.

(i) Make or contract for the making of repairs, additions and improvements or alterations of the Property, and repairs to and restoration of the Property, in accordance with the Act, the Declaration, and these Bylaws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(j) Act on behalf of the Owners with respect to all matters arising out of any eminent domain proceeding.

(k) Obtain and carry insurance against casualties and liabilities, as provided in the Declaration, pay the premiums therefor and adjust and settle any claims thereunder.

(l) Pay the cost of all authorized services rendered to the Master Association and not billed to Owners of individual Sites or otherwise provided for in the Declaration.

(m) Keep books with detailed accounts in chronological order of the receipts and expenditures affecting the Property and the administration of the Master Association, specifying the expenses of maintenance and repair of the Common Elements and any other expense incurred. Such books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and their duly authorized agents or attorneys, during general business hours on working days at the time and in the manner set and announced by the Executive Board for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting practices. At the discretion of the Board or as otherwise mandated by Section 38-33.3-303(4) of the Act, the books and records of the Master Association shall be subject to an audit, using generally accepted auditing standards, or a review using statements on standards for accounting and review services, by an independent and qualified person retained by the Executive Board who shall not be a resident of Stratton Flats or an Owner but shall meet the requirements set forth in Section 38-33.3-303(4) of the Act. Any such audit or review shall comply with the requirements of Section 38-33.3-303(4) of the Act and copies of it shall be made available upon request to any Owner beginning no later than thirty (30) days after its completion. The cost of such audit shall be a Common Expense.

(n) Upon the written request of a Mortgagee, to notify a Mortgagee of any default hereunder by the Owner subject to such Mortgage, in the event such default continues for a period exceeding sixty (60) days.

(o) Borrow money on behalf of the Master Association (including money secured by an assignment of future income) when required in connection with any one instance relating to the operation, care, upkeep and maintenance of the Common Elements; provided, however, that the consent of the Owners in and to the extent required by Section 38-33.3-312 of the Act has been obtained. If any sum borrowed by the Executive Board on behalf of the Master Association pursuant to the authority contained in this paragraph (o) is not repaid by the Master Association, an Owner, who pays to the creditor such proportion thereof as his or her percentage interest bears to the total percentage interests in the Master Association, shall be entitled to obtain from the creditor a release of any judgment or other lien which such creditor shall have filed or shall have the right to file against such Owner's Site.

(p) Acquire, lease, hold and dispose of Sites, and incur debt, secured by mortgages, if such expenditures and hypothecations are included in the budget adopted by the Master Association.

(q) In its sole discretion, designate from time to time any parking space initially designated as a General Common Element as a Limited Common Element in accordance with Section 38-33.3-208(3) and 38-33.3-205(1)(g) of the Act.

(r) In accordance with the requirements of Section 38-33.3-209.4(1) of the Act, if the Master Association's address, designated agent, or management company changes, the Executive Board on behalf of the Master Association shall within ninety (90) days after the change make the following information available to Owners by any of the means described below in (t) of this Section 5.14: (i) the name of the Master Association; (ii) the name of the Master Association's designated agent or management company, if any; (iii) a valid physical address and telephone number for both the Master Association and the designated agent or management company, if any; (iv) the name of the planned community; (v) the initial date of recording of the Declaration; and (vi) the reception number or book and page for the main document that constitutes the Declaration.

(s) In accordance with the requirements of Section 38-33.3-209.4(2) of the Act, the Executive Board on behalf of the Master Association shall within ninety (90) days after the end of each fiscal year make the following information available to Owners by any of the means described below in paragraph (t) of this Section 5.14: (i) the date on which the Master Association's fiscal year commences; (ii) the Master Association's operating budget for the fiscal year; (iii) a list by Site type of the Master Association's current assessments including General Assessments, Limited Assessments and Default Assessments; (iv) the Master Association's financial statements including the amounts held in reserve for the fiscal year immediately preceding the current annual disclosure; (v) the results of the Master Association's most recent available financial audit or review; (vi) a list of all Master Association insurance policies, including, but not limited to, property, general liability, association director and officer professional liability, and fidelity policies. Such list shall include the company names, policies limits, policy deductibles, additional named insureds, and the expiration dates of the policies listed; (vii) all the Master Association's Bylaws, Articles and Rules and Regulations; (viii) the minutes of the Executive Board and Members meetings for the fiscal year preceding the current annual disclosure; (ix) the Master Association's responsible governance policies adopted under Section 38-33.3-209.5 of the Act.

(t) Disclose information to Members by one of the following means: posting on an internet web page with accompanying notice of the web address via first-class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense Liability.

(u) Do such other things and acts not inconsistent with the Act and the Governing Documents.

5.15 Compensation. The Master Association shall not compensate any Director for acting as a Director. Any Director may be reimbursed for expenses incurred on behalf of the

Master Association upon approval of a majority of the other Directors. Nothing herein shall prohibit the Master Association from compensating a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Master Association in a capacity other than as a Director pursuant to a contract or agreement with the Master Association, provided that such Director's interest was made known to the Executive Board prior to entering into such contract and such contract was approved by a majority of the Executive Board, excluding the interested Director.

5.16 Managing Agent Qualifications and Duties. Any manager or managing agent the Executive Board may employ for Stratton Flats ("Managing Agent") must meet the qualifications described in Section 5.16.1 and may perform the duties as described in 15.6.2.

5.16.1 Qualification Requirements. The Executive Board must employ as Managing Agent a person or organization possessing a high level of competence in the technical skills necessary to provide proper management of Stratton Flats. The Managing Agent must be able to advise the Executive Board regarding the overall operation of Stratton Flats, including administration, financial matters, complaints, maintenance and repair requirements, and maintenance staff requirements. Upon approval of the Executive Board, the Managing Agent may, from time to time, employ additional personnel to assist with its duties. If the Executive Board delegates authority or powers relating to the collection, deposit, transfer, or disbursement of Association funds to its Managing Agent, or any other persons, then the provisions of C.R.S. Section 38-33.3-306(3), as such section may be amended from time to time, shall apply addressing such matters as fidelity insurance, comingling of reserve and operating funds, and requiring an annual accounting coupled with financial statements.

5.16.2 Managing Agent Duties. The Managing Agent shall perform such duties and services as the Executive Board shall authorize, including but not limited to the duties listed in paragraphs (a), (b), (c), (d), (e), (f), (h), (i), (k), (l), (m), (n), (q), (r), (s), (t) and (u) of Section 5.14 of this Article V. The Executive Board may delegate to the Managing Agent all of the powers granted to the Executive Board by these Bylaws other than the powers set forth in paragraphs (g), (j), (o), and (p) of Section 5.14 of this Article V. The Managing Agent shall perform the obligations, duties and services relating to management of the Property, the rights of Mortgagees and the maintenance of reserve funds in compliance with the provisions of these Bylaws, the Declaration, and the Act.

5.16.3 Manager Standards of Performance. The Executive Board shall impose appropriate standards of performance upon the Managing Agent which shall be no less than the standards set forth in Section 5.17 of these Bylaws.

5.16.4 Term of Management Contract. The Executive Board may employ a Managing Agent for an initial term not to exceed three (3) years. Any contract with the Managing Agent must provide that it may be terminated with cause on no more than thirty (30) days written notice, and without cause and without penalty or any termination fee on more than ninety (90) days written notice. The term of any such contract or an extension thereof may not exceed three (3) years.

5.17 Standards of Performance. The following management standards of performance shall be followed unless the Executive Board by resolution specifically determines otherwise:

(a) Accrual or modified accrual accounting, as defined by generally accepted accounting principles, shall be employed.

(b) Accounting and controls should conform to generally accepted accounting procedures.

(c) Cash accounts of the Master Association shall not be comingled with any other accounts, and reserve funds shall not be comingled with operating funds.

(d) The Managing Agent shall be prohibited by contract from accepting remuneration from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; the Master Association shall benefit from anything of value received.

(e) Any financial or other interest the Managing Agent may have in any firm providing goods or services to the Master Association shall be disclosed promptly to the Executive Board.

(f) Financial reports shall be prepared for the Master Association at least annually, or as requested more frequently by the Executive Board, and contain:

(i) An income statement reflecting all income and expense activity for the preceding period on an accrual or modified accrual basis;

(ii) A statement reflecting all cash receipts and disbursements for the preceding period;

(iii) A variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) A balance sheet as of the last day of the preceding period; and

(v) A delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Executive Board resolution).

5.18 Right to Contract. The Master Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without

limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or neighborhoods and other owners' or residents' associations, within and outside the Property. Any common management agreement shall require the consent of a majority of the Executive Board.

5.19 Enforcement. The Master Association may impose Sanctions for any violation of the Governing Documents. The Executive Board shall comply with the following procedures prior to imposition of Sanctions:

(a) Notice. The Executive Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation; (ii) the proposed Sanction to be imposed; (iii) a period of not less than 10 days within which the alleged violator may present a written request for a hearing to the Executive Board; and (iv) a statement that the proposed Sanction shall be imposed as contained in the notice unless a challenge is begun within 10 days of the notice. If a timely request for a hearing is not made, the Sanction stated in the notice shall be imposed, provided the Executive Board may, but shall not be obligated to, suspend any proposed Sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to penalize future violations of the same or other provisions and rules by any Person. Imposition of a Sanction shall not relieve a Member for the payment of any Assessments or other fees or charges due to the Association.

(b) Hearing. If a hearing is requested within the allotted period, the hearing shall be held before the Executive Board. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any Sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. 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 or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the Sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Executive Board will be final.

(c) Additional Enforcement Rights. Notwithstanding anything to the contrary in this Article, the Executive Board may elect to enforce any provision of the Governing Documents by self-help specifically including, but not limited to, towing vehicles that violate parking rules or, following compliance with the dispute resolution procedures set forth in the Declaration, if applicable, by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred. Any entry onto a Site for purposes of exercising this power for self-help shall not be deemed as trespass.

Notwithstanding anything herein to the contrary, judicial proceedings must be instituted before any nonconforming or violating items of construction can be altered or demolished.

(d) Non-applicability to Delinquent Assessments. The foregoing procedures will not be necessary in order to impose any Sanction or penalty for nonpayment of a delinquent Assessment.

5.20 Owner Education and Executive Board/Officer Training. The Executive Board shall provide, or cause to be provided, education to owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of owners, the Association and its Executive Board under Colorado law and in accordance with Section 38-33.3-209.7 of the Act. Such education shall include training designed to educate Members of the nomination, election and voting processes and the duties and responsibilities of Directors and Officers. The Executive Board may authorize, and treat as a common expense, reimbursement of Executive Board Members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of the Association, including but not limited to construction on applicable Colorado corporate and fiduciary law principles, other issues relating administering Stratton Flats affairs and upholding and enforcing the Governing Documents. The Executive Board may retain industry professionals, which may include property managers, attorneys and accountants as appropriate or necessary such purpose. Any such education must meet the requirements of Section 38-33.2-209.6 of the Act.

5.21 Executive Board Standards. In the performance of their duties, Master Association Directors and Officers shall be insulated from personal liability as provided by Colorado law for Directors and Officers of nonprofit corporations, and as otherwise provided in the Governing Documents. Directors are required to exercise the ordinary and reasonable care of Directors of a corporation, subject to the business judgment rule.

As defined herein, a Director shall be acting in accordance with the business judgment rule so long as the Director (a) acts within the express or implied terms of the Governing Documents and his or her actions are not *ultra vires* (i.e., outside the scope of the Director's authority; (b) affirmatively undertakes to make decisions which are necessary for the Master Association's continued and successful operation and, when decisions are made, they are made on an informed basis; (c) acts on a disinterested basis, promptly discloses any real or potential conflict of interests (pecuniary or other), and avoids participation in decisions and actions when a conflict exists; and (d) acts in a non-fraudulent manner and without reckless indifference to the Master Association's affairs. A Director acting in accordance with the business judgment rule shall be protected from personal liability.

Executive Board determinations of the meaning, scope, and application of Governing Documents provisions shall be upheld and enforced so long as such determinations are reasonable. The Executive Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

ARTICLE VI
Officers and Their Duties

6.1 General. The Officers of the Master Association shall be a president (who shall be chosen from among the Directors), one or more vice presidents, a secretary and a treasurer. The Executive Board may appoint such other Officers, assistant Officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any Officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such Officer, agent or employee shall follow the orders and instructions of the president.

6.2 Removal of Officers. The Executive Board may remove any Officer, either with or without cause, and elect a successor at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

6.3 Vacancies. A vacancy in any office, however occurring, shall be filled by the Executive Board for the unexpired portion of the term.

6.4 President. The president shall be the chief executive officer of the Master Association. The president, or an individual designated by the president, shall preside at all meetings of the Master Association and of the Executive Board. The president shall have the general and active control of the affairs and business of the Master Association and general supervision of its Officers, agents and employees; and shall have all the general powers and duties which are incident to the office of president, including, except as limited by Section 13.3 hereof or otherwise limited by the Governing Documents, the power to sign all leases, mortgages, deeds and other written instruments on behalf of the Master Association; and to exercise and discharge such other duties as may be required of the president by the Executive Board.

6.5 Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Executive Board. In the absence of the President, the vice president designated by the Executive Board or (if there be no such designation) designated in writing by the president shall have the powers and shall perform the duties of the president. If no such designation shall be made, all vice presidents may exercise such powers and perform such duties.

6.6 Secretary. The secretary shall:

- (a) keep the minutes of the proceedings of the Owners and the Executive Board;

(b) see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law;

(c) be custodian of the corporate records;

(d) keep at the Master Association's principal office a record containing the names and registered addresses of all Owners, the designation of the Sites owned by each Owner, and, if such Site is mortgaged, the name and address of each Mortgagee; and

(e) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the Executive Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

6.7 Treasurer. The treasurer shall be the principal financial officer of the Master Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Master Association and shall deposit the same in accordance with the instructions of the Executive Board. The treasurer shall receive and give receipts for moneys paid in on account of the Master Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Master Association of whatever nature upon maturity. The treasurer shall perform all duties incident to the office of the treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the Executive Board, give the Master Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his duties and for the restoration to the Master Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Master Association. The treasurer shall have such powers and perform such other duties as may be from time to time prescribed by the Executive Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

6.8 Contracts and Instruments – How Executed. The Executive Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Executive Board, no Officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable to any purpose or to any amount.

6.9 Compensation of Officers. No Officer who is also a member of the Executive Board of Directors shall receive any compensation from the Association for acting as such Officer, but may be reimbursed for any reasonable out-of-pocket expenses incurred in performing his duties; provided, however, the secretary and treasurer may be compensated for their services if the Executive Board determines such compensation to be appropriate.

ARTICLE VII
Committees

The Executive Board may from time to time appoint such committees as the Executive Board deems necessary and appropriate in carrying out the functions of the Association. The president of the Association may appoint committees from time to time from among the members of the Executive Board as the president may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

ARTICLE VIII
Evidence of Ownership, Addresses And Lien Holders

8.1 Proof of Ownership. Except for those Members who initially contracted to purchase a Site from the Declarant, any person, on becoming a Member, shall furnish to the Master Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest in the Site. Such copy shall remain in the files of the Master Association. A Member having voting rights shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of Members unless this requirement is first satisfied.

8.2 Registration of Mailing Address. If a Site is owned by two or more Members, such Members shall designate one address as the registered address required by the Declaration. The registered address of a Member or Members shall be furnished to the secretary of the Master Association within ten (10) days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the Members who are Owners of the Site or the Member of Record with respect to the Site. If no address is registered or if all of the Members cannot agree, then the address of the Site shall be deemed the registered address of the Member(s), and any notice shall be deemed duly given if delivered to such address.

8.3 Liens. Any Member who mortgages or grants a deed of trust covering his Site shall give the Master Association written notice of the name and address of the Mortgagee and shall file true, correct and complete copies of the note and security instrument with the Master Association.

8.4 Address of the Master Association. The address of the Master Association shall be the address set forth in Article II of these Bylaws. Such address may be changed from time to time as designated by the Executive Board and filed in the records of the Colorado Secretary of State.

ARTICLE IX
Right of Declarant to Disapprove Actions

During the Declarant Control Period, the Declarant shall have a right to disapprove any action, policy or program of the Master Association, the Executive Board, and any committee,

which in the sole judgment of the Declarant, would tend to impair the rights of Declarant under the Declaration or these Bylaws, or interfere with the development or construction of any portion of the Property, or diminish the level of services being provided by the Master Association.

ARTICLE X **Indemnification**

10.1 Indemnification of Officers, Directors and Committee Members.

10.1.1 Directors, Officers, and Committee Members. The Association shall indemnify every Director, Officer, and each committee member of the Association appointed in accordance with the Bylaws to the fullest extent permitted by Article 129 of the Nonprofit Corporation Act, provided that the Association complies with all applicable requirements and provisions set forth in such article regarding such indemnification.

10.1.2 Advancement of Expenses. The Association may pay for or reimburse the reasonable expenses incurred by a Director, Officer or any committee member of the Association appointed in accordance with the Bylaws of the Association who is a party to a proceeding in advance of final disposition of the proceeding to the fullest extent permitted by Article 129 of the Nonprofit Corporation Act, provided that the payment of such expenses is subject to any applicable requirements set forth in Sections 7-129-104 and 7-129-107 of the Nonprofit Corporation Act.

10.2 Director and Officer Liability Insurance. The Master Association may maintain insurance at its expense on behalf of the person who is or was a Director, Officer, employee, fiduciary or agent of the Association, against liability asserted against or incurred by the person in that capacity subject to the requirements of Section 7-129-108 of the Nonprofit Corporation Act.

10.3 Nonexclusive Rights. The foregoing rights will not be exclusive of other rights to which such member of the Executive Board or Officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Master Association as a Common Expense.

ARTICLE XI **Nonprofit Corporation**

The Master Association is not organized for profit. No Member of the Association, member of the Executive Board, or Person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event will any part of the funds or assets of the Association be paid as a dividend or be distributed to, or inure to the benefit of, any member of the Executive Board. Notwithstanding the foregoing, (i) reasonable compensation may be paid

to any Member or Director acting as an agent or employee of the Master Association for services rendered in effecting one or more of the purposes of the Master Association, (ii) any Member or Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Master Association, and (iii) any Director may be reimbursed for actual expenses incurred in the performance of his duties.

ARTICLE XII **Exculpation**

The Master Association shall not be liable for services to be obtained by the Master Association or paid for as a Common Expense, or for injury or damage to person or property caused by the elements or by any Member, or any other person, or resulting from electricity, water, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Master Association shall not be liable to any Member for loss or damage, by theft or otherwise, of articles which may be stored upon or in any of the Common Elements. No diminution or abatement of any assessments, as herein elsewhere provided, shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Common Elements or from any action taken by the Master Association to comply with any law, ordinance or with the order of directive of any municipal or other governmental authority.

ARTICLE XIII **Amendments**

13.1 Executive Board. Except as limited by Section 7-130-201 of the Nonprofit Corporation Act, the Declaration, the Articles or these Bylaws, the Executive Board shall have power to make, amend and repeal the Bylaws of the Master Association at any regular meeting of the Executive Board or at any special meeting called for that purpose, provided that a quorum is represented. If, however, the Members shall make, amend or repeal any provision of these Bylaws, the Directors shall not thereafter amend the same in such manner as to defeat or impair the object of the Members in taking such action.

13.2 Members. After the expiration of the Declarant Control Period, the Members may, by the vote of the holders of at least a Majority of the votes of the Members entitled to vote, unless a greater percentage is expressly required by law, the Declaration, the Articles or these Bylaws, make, alter, amend or repeal the Bylaws of the Master Association at any annual meeting or at any special meeting called for that purpose, provided that a quorum is present.

13.3 Evidence of Amendment. Any two (2) Executive Board members may prepare, execute, certify and record amendments to the Declaration and Bylaws on behalf of the Master Association.

13.4 Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon certification by the secretary unless a later effective date is specified therein.

ARTICLE XIV **Confidentiality**

Each Officer, Director and Member shall have a continuing obligation to keep confidential: (i) any information made available to them pursuant to the Governing Documents or the rules promulgated by the Executive Board; and (ii) the name and contact information (i.e. mailing address, telephone numbers, e-mail addresses, etc.) of any Member of the Master Association to any non-Member unless such Master Association Member has given his or her written consent to the release of such information to the non-Member. The Master Association is hereby released from any and all claims that may arise from the publication of information by the Association as required by applicable law or the Governing Documents.

ARTICLE XV **Miscellaneous**

15.1 Fiscal Year. Until the Executive Board establishes a different fiscal year by resolution, the fiscal year of the Association will begin on the first day of January and end on the 31st day of December every year.

15.2 Parliamentary Rules. Except as may be modified from time to time by the Executive Board, *Robert's Rules of Order* (current edition) shall govern the conduct of Master Association proceedings when not in conflict with Colorado law or the Governing Documents.

15.3 Books and Records.

15.3.1 Inspection by Members and Mortgagees. The Executive Board shall make available for inspection and copying by any holder, insurer or guarantor of a First Mortgage on a Site, any Member, or the duly appointed representative of any of the foregoing at a reasonable time and for a purpose reasonably related to his or her interest in a Site the records specified in Article IV, Subsections 4.04(a) and 4.04(b) of the Declaration. The Executive Board shall provide for such inspection to take place at the Master Association's principal office or at such other place as the Executive Board shall designate.

15.3.2 Rules for Inspection. The Executive Board shall establish rules with respect to (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing documents requested.

15.4 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

15.5 Fannie Mae. The Executive Board and the Association will comply with the following provisions so long as they desire Federal National Mortgage Association (“Fannie Mae”) acceptance of the Planned Community:

(a) In the event of foreclosure of a Site, the First Mortgagee will not be liable for any more than six months of regular Common Expense assessments to have a priority over First Mortgagee’s lien, nor will the First Mortgagee be liable for any fees or charges related to the collection of six months or less of unpaid Assessments that accrued before the First Mortgagee acquired title to the Site.

(b) Each hazard insurance policy must be written by an insurance carrier that has an acceptable rating from either A.M. Best Company, Demotech, Inc., or Standard and Poor’s, Inc., as follows:

(i) A “B” or better general policy holder’s rating or a “6” or better financial performance index rating in Best’s *Insurance Reports*, an “A” or better general policy holder’s rating and a financial size category of “VIII” or better in Best’s *Insurance Report - International Edition*, an “A” or better rating in Demotech’s *Hazard Insurance Financial Stability Ratings*, a “BBBq” qualified solvency ratio of a “BBB” or better claims-paying ability rating in Standard and Poor’s *International Confidential Rating Service*.

(ii) The insurance policies obtained by the Master Association must also contain the standard mortgage clause and must name as Mortgagee either Fannie Mae or the servicers for the mortgages Fannie Mae holds on Sites in Stratton Flats.

(c) The insurance policies obtained by the Association must also contain the standard mortgage clause and must name as Mortgagee either Fannie Mae or the servicers for the mortgages Fannie Mae holds on Sites in Stratton Flats.

15.6 Director’s Conflicting Interest Transactions. The term “conflicting interest transaction” as used in these Bylaws means a transaction defined in Section 7-128-501 of the Nonprofit Corporation Act. Any transaction falling within such definition and any Director or Officer of the Master Association, including any “party related to a Director” as such term is defined in the referenced section shall be subject to all terms and provisions of Section 7-128-501 of the Nonprofit Corporation Act and no such transaction shall be enforceable unless such transaction has been approved or ratified in accordance with the requirements of the aforesaid section.

15.7 Member List. No Member list or any part thereof may be obtained or used by any person for any purpose unrelated to a Member’s interest as a Member without the consent of


the Executive Board. Without limiting the generality of the foregoing, without the consent of the Executive Board, a membership list or any part thereof may not be: (i) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Members in an election to be held by the Master Association; (ii) used for any commercial purpose; or (iii) sold to or purchased by any person.

CERTIFICATION


That the undersigned Brod Pauls, being the president and Bill Holm, being the secretary of Stratton Flats Master Association, Inc., a Colorado nonprofit corporation, do hereby certify:

These initial Bylaws of the Master Association have been duly adopted by the Executive Board pursuant to Article VI of the Articles of Amendment for the Master Association as filed with the Colorado Secretary of State on April 8, 2009 and Sections 38-33.3-302 and 38-33.3-303 of the Colorado Revised Statutes.

IN WITNESS WHEREOF, the undersigned executes this certification as of this 21st day of December, 2011.



President

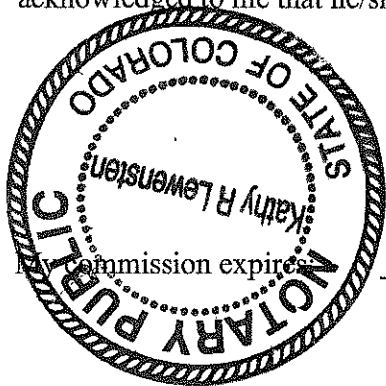


Secretary

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Notary blocks follow.]*

State of Colorado)
)ss.
County of Eagle)

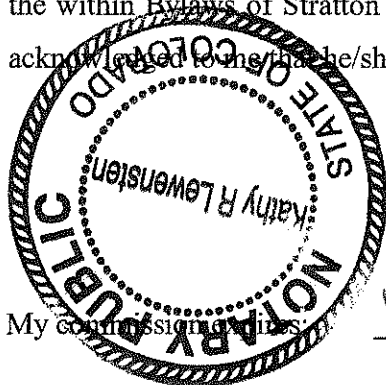
On this 10 day of Mar in the year 2012 before me, Kathy H Lewenstein
a Notary Public in and for said state, personally appeared Brad Pauls,
president of Stratton Flats Master Association, Inc., known to me to be the person who executed
the within Bylaws of Stratton Flats Master Association, Inc., on behalf of said corporation and
acknowledged to me that he/she executed the same for the purposes therein stated.



Kathy H Lewenstein
Notary Public

State of Colorado)
)ss.
County of Eagle)

On this 20 day of Mar in the year 2012 before me, Kathy H Lewenstein
a Notary Public in and for said state, personally appeared Bill Holm,
secretary of Stratton Flats Master Association, Inc., known to me to be the person who executed
the within Bylaws of Stratton Flats Master Association, Inc., on behalf of said corporation and
acknowledged to me that he/she executed the same for the purposes therein stated.



Kathy H Lewenstein
Notary Public