

AMENDED AND RESTATED BYLAWS OF BIG VALLEY RANCH
HOMEOWNERS ASSOCIATION

RECITALS:

1. Big Valley Ranch at Steamboat IIA, as the "Declarant", ("Declarant"), has filed with the Routt County, County Recorder, a Declaration of Covenants, Easements and Restrictions ("Declaration"), for a residential development including 41 lot parcels and single family homes as built known as Big Valley Ranch. ("BVR")
2. The Declaration provides for the establishment of a homeowners' association for the government of Big Valley Ranch at Steamboat IIA as set forth therein.
3. The Big Valley Ranch Homeowners Association, ("Association"), has been incorporated to act as the Master Homeowners' Association for Big Valley Ranch at Steamboat IIA.
4. Pursuant to and in accordance with the Declaration, Declarant and the Board of Directors ("Directors") are establishing these Bylaws of the Association.
5. These Bylaws shall together with the terms and conditions of the Declaration and the Master Declaration of Big Valley Ranch Homeowners Association ("Master Declaration") serve as the code of regulations for the Association.
6. The Declaration and the Master Declaration are incorporated herein by reference and is made part hereof for all purposes; including, without limitation, all defined terms contained therein.

ARTICLE I

THE ASSOCIATION

Section 1. Name of Association. The Association shall be called Big Valley Ranch Homeowners Association. The mailing address shall be Big Valley Ranch Homeowners Association, P.O. Box 7702061, Steamboat Springs, Colorado 80477. The Board of Directors, at its discretion, may change the mailing address if needed.

Section 2. Purpose. The purpose for which this nonprofit association is formed is to govern, maintain, repair, replace and administrate the real property situated within the subdivision known as Big Valley Ranch at Steamboat IIA which has been recorded by a plat with the Clerk and Recorder of Routt County, Colorado.

Section 3. Membership. The membership of the Association shall consist of each Owner of any Lot in Big Valley Ranch at Steamboat Filing IIA (the "Property") (each individually the "Member" and collectively the "Members"); provided, however, that where there exists multiple Owners of any Lot, the multiple Owners shall designate one (1) such Owner to be the "Designated Member" for all purposes of the Association. The Designated Member shall be included within the term "Member" or "Members" within and for all purposes of these Bylaws. No purchaser of a Lot

shall be deemed a Member until the sale and purchase of such Lot has been consummated by the payment of the purchase price and delivery and recording of the deed therefor. Ownership of a Lot shall be the sole qualification for membership.

Section 4. Membership Regulations. All present or future owners, tenants and other persons that reside upon real property within the Property are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any separate parcel or improvements contained thereon within the Property, or the mere act of occupancy of the real property or any improvements that may be set thereon shall signify that these Bylaws are accepted, ratified and will be complied with.

Section 5. Membership Not Transferable. Except as provided herein or in the Declaration, membership in the Association shall not be transferable. The membership in the Association of each Member shall terminate upon a sale, transfer or other disposition of the Member's ownership interest in the Lot, accomplished in accordance with the provisions of the Declaration. All rights and privileges of a Member in the Association shall cease on the termination of such Lot ownership and, thereupon, the membership of such respective Owner in the Association shall automatically transfer to and vest in the new succeeding Owner. The Association may, but shall not be required to, issue certificates or other evidence of membership therein.

Section 6. Voting Rights for Members. Subject to the provisions set forth below and to the provisions of the Declaration, each Member (or Designated Member as applicable) shall be entitled to one (1) vote for each Lot owned.

Only Members in good standing shall be entitled to vote in the affairs of the Association at any annual or special meeting thereof. A Member shall be deemed to be in "good standing" and "entitled to vote" if, and only if: (i) at least three (3) days prior to the date fixed for such annual or special meeting, the Member shall have fully paid all assessments made or levied against the Member and all of the Member's Lot(s) by the Association as hereinafter provided, together with all interest, costs, attorneys' fees, penalties, and other expenses, if any, properly chargeable to the Member and against the Member's Lot(s), and (ii) as of the date of the meeting, the Member's voting rights are not suspended through action taken by the Board, after notice and opportunity for hearing, as a penalty for infraction of the Rules and Regulations or any of the provisions of the Declaration or these Bylaws.

Section 7. Proxies. Members may vote or act in person(s) or by proxy. Designation by a Member of a proxy to vote or act on the Member(s) behalf shall be made in writing to the Board and shall be revocable at any time by actual notice to the Board by the Member making such designation. Notice to the Board in writing or in open meeting of the revocation of the designation of a proxy shall not affect any vote or act previously taken or authorized.

Section 8. Meetings of Members.

(a) Annual Meeting. The annual meeting of the Members of the Association for the election of members of the Board, the consideration of reports to be laid before such meeting, and the transaction of such other business as may be properly brought before the meeting shall be held at such place as designated by the Board on a date which also will be specified in the notice of such meeting at such time as may be designated by the Board and specified in the notice of the meeting, which notice shall be given as provided in Subsection C of this Section 8 of Article I.

(b) Special Meetings. Special meetings of the Members of the Association may be held on any day when called by the President of the Association or by the Board or by Members entitled to cast at least twenty-five percent (25%) of the votes of the Association. Upon request in writing delivered either in person or by certified mail or registered mail to the President or the Secretary of the Association by any person or persons entitled to call a meeting of Members, such officer shall forthwith cause to be given to the Members entitled thereto written notice by personal delivery or by certified or registered mail, of a meeting to be held on a date not less than thirty (30) nor more than fifty (50) days after the receipt of such request as such officer may fix. If such notice is not given within thirty (30) days after the delivery or mailing of such request, the Members calling the meeting may fix the time of the meeting and give notice thereof. Each special meeting shall be called to convene at a designated date and time and held at a designated location as shall be specified in the notice of such meeting. No business other than that specified on the call or notice of said meeting shall be considered at any special meeting.

(c) Notices of Meetings. Not less than thirty (30) nor more than fifty (50) days before the date fixed for any meeting of the Members of the Association, written notice stating the date, time, place and purpose of such meeting shall be given by or at the direction of the Secretary of the Association or any other person or persons required or permitted by these Bylaws to give such notice. The notice shall be given by personal delivery, by mail, or by electronic notice to each Member of the Association who is a Member of record as of the day preceding the day on which notice is given. If mailed, the notice shall be addressed to the respective Members of the Association. Notice of the time, place and purposes of any meetings of the Members of the Association may be waived in writing, either before or after the holding of such meeting, by any Member, which writing, shall be filed with or entered upon the records of the meeting. The attendance of any Member at any such meeting, without protesting, prior to or at the commencement of the meeting, the lack of proper notice, shall be deemed to be a waiver by the Members of notice of such meeting.

(d) Quorum - Adjournment. Except as may be otherwise provided by law or by the Declaration, at any meeting of the Members of the Association, the Members of the Association entitled to exercise thirty percent (30%) of the voting power of the Association present in person or by proxy shall constitute a quorum for such meeting. No action may be authorized or taken by a lesser percentage than required by law, by the Declaration or by these Bylaws. The Members entitled to exercise a majority of the voting power represented at a meeting of Members, whether or not a quorum is present, may adjourn such meeting from time to time. If any meeting is adjourned, notice of such adjournment need not be given if the time and place to which such meeting is adjourned are fixed and announced at such meeting.

(e) Actions without a Meeting. All actions, except removal of a Director, which may be taken at a meeting of the Association, may be taken without a meeting with the approval of and in a writing or writings signed by Members having the percentage of voting power required to take such action if the same were taken at a meeting. Such writings shall be filed with the Secretary of the Association. Written notice of any action proposed to be taken by such written consent of members shall be given to all parties who are entitled to notice under Subsection C, of this Section and Article, not less than thirty (30) days prior to commencing the circulation of the action for written consent among the Members.

(f) Order of Business. The order of business at all meetings of members of the Association shall be as follows:

- (1) Calling of meeting to order.
- (2) Roll-call.
- (3) Proof of notice of meeting or waiver of notice.
- (4) Reports of Officers.
- (5) Reports of Committees.
- (6) Election of Directors (when appropriate).
- (7) Unfinished and/or old business.
- (8) New business.
- (9) Adjournment.

(g) Vote by a Business Entity. The vote of any corporate, partnership or trust Member may be cast on its behalf by any officer, partner, or beneficiary of such Member authorized to take such action on behalf of the business entity.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Board of Directors. The direction and administration of the property shall be vested in the Board of Directors. The Board of Directors shall consist of three (3) to seven (7) Lot Owners elected by the Members. In the event an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any designated agent of such corporation, partnership, trust, or other legal entity, shall be eligible to serve as a member of the Board, so long as that agent is the person designated to cast votes for that property. The terms of such Directors shall be three (3) years, unless specified by the Board of Directors for one or two years to create staggered terms of office so that Board of Directors vacancies do not all occur during the same year.

As noted above, each Lot Owner in such elections shall be entitled to cast one vote for each Lot owned. There shall be no cumulative voting.

Section 2. Nomination. Nomination for election to the Board of Directors shall be made by the Board of Directors or by a Nominating Committee appointed by the Board of Directors. Additional nominations may be made by Members in advance of the annual meeting and can be presented to the Board not less than forty-five (45) days before the annual meeting for notification to the Membership. Nominations may also be made from the floor at the annual meeting. If a Nominating Committee is used, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and two (2) or more members of the Association. A Nominating Committee, if used, shall be appointed not less than three (3) months prior to each annual meeting of the Members and shall serve thereafter until a new Nominating Committee is appointed, unless otherwise provided by the Board or otherwise voluntarily terminated. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 3. Election. Election to the Board by the Members shall be by secret written ballot. At such elections, the Members or their proxies may cast with respect to each vacancy, such voting power as they are entitled to exercise under the provisions of the Declaration. The persons receiving the highest number of votes shall be elected. Cumulative voting is not permitted.

Section 4. Removal. Any one (1) or more members of the Board may be removed from the Board by a vote of two-thirds (2/3rds) majority of the Members. In the event of death, resignation or removal of a Director, that Director's successor shall be selected by the remaining members of the Board unless the election of a successor Director is conducted at that same meeting and shall serve until the next annual meeting, when a Director shall be elected to complete the term of such deceased, resigned or removed Director.

Any member of the Board may resign at any time by oral statement to that effect made at a meeting of the Board of Directors or in a writing to that effect delivered to the Secretary or President of the Association. Such resignation shall take effect immediately or at such other time as the resigning member of the Board may specify, and acceptance of such resignation shall not be necessary to make it effective.

Section 5. Compensation. Unless otherwise determined by the Members at a meeting duly called and noticed for such purpose, no Director shall receive compensation for any service rendered to the Association as a Director. However, any Director may be reimbursed for his, her or its actual expenses incurred in the performance of duties.

Section 6. Organization Meetings. Immediately after each annual meeting of members of the Association, the Board shall hold an organization meeting for the purpose of electing officers and transacting any other business. Notice of such meeting need not be given.

Section 7. Regular Meetings. Regular meetings of the Board shall be held no less than twice a year on such date and at such place and hour as may be fixed from time to time by resolution of the Board. Notice of such meetings shall be given to all Board Members and Owners not less than ten (10) days prior to the meeting by personal delivery, mail, phone message or electronic notice. All meetings of the Board shall be open to attendance by any Owner, subject to the Colorado Sunshine Laws which provide for executive sessions.

Section 8. Special Meetings. Special meetings of the Board shall be held when called by the President of the Board, or by any two (2) Directors after not less than fourteen (14) days' notice to each Director. Such notice of the time and place of such meeting shall be given by the person or persons calling the meeting, to each member of the Board and each Owner either by personal delivery, mail, phone message or electronic notice at least five (5) days before the meeting. The notice need not specify the purposes of the special meeting. All meetings of the Board shall be open to attendance by any Owner, subject to the Colorado Sunshine Laws which provide for executive sessions.

Section 9. Quorum. The presence at any duly called and noticed meeting of Directors entitled to cast a majority of the voting power of Directors shall constitute a quorum for such meeting. The Board shall act by majority vote of those present at its meetings when a quorum exists.

Section 10. Voting Power. Except as otherwise provided in the Declaration, these Bylaws, the Articles or by law, each Director shall be entitled to cast one vote, and the vote of a majority of Directors voting on any matter that may be determined by the Directors at a duly called and noticed meeting shall be sufficient to determine that matter.

Section 11. Action in Writing Without Meeting. Any action that could be taken by Directors at a meeting may be taken without a meeting with the affirmative vote or approval, in a writing or writings, of all of the Directors.

Section 12. Powers. The Board shall exercise all powers and authority, under law, and under the provisions of the Articles, these Bylaws, and the Declaration, that are not specifically and exclusively reserved to the Members by law or by other provisions thereof, and without limiting the generality of the foregoing, the Board, shall have the right, power and authority to:

- (a) take all actions deemed necessary or desirable to comply with and/or benefit from all requirements of law, the Articles, the Declaration and these Bylaws;
- (b) obtain insurance coverage no less than that required pursuant to the Declaration;
- (c) enforce and/or benefit from (as applicable) the covenants, conditions and restrictions set forth in the Declaration;
- (d) repair, maintain and improve those portions of the Development as are the Association's responsibility under the Declaration;
- (e) establish, enforce, levy and collect Assessments as provided in the Declaration;
- (f) adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of Members and their guests thereon, for the maintenance, conservation and beautification of the property and for the health, comfort, safety and general welfare of the owners and occupants of the property and establish penalties for the infraction thereof without approval from any of the voting members except as hereinafter set forth. Written notice of such rules and regulations shall be

given to all voting members by mail, electronic notice or posting on the BVR Website (www.bigvalleyranch.net).

- (g) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association (such rights may also be suspended after notice and hearing, for a period not to exceed one hundred eighty (180) days for each infraction of published rules and regulations or of any provisions of the Declaration, these Bylaws or the Articles);
- (h) declare the office of a member of the Board to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board without Board approved excusal from such meetings;
- (i) authorize the officers to enter into one (1) or more management agreements with third parties in order to facilitate the efficient operation of the property; (it shall be the primary purpose of such management agreements to provide for administration, management, repair and maintenance as provided in the Declaration, and the receipt and disbursement of funds as may be authorized by the Board. The terms of any management agreements shall be as determined by the Board to be in the best interest of the Association, subject, in all respects, to the provisions of these Bylaws, the Articles and the Declaration);
- (j) do all things and take all actions permitted to be taken by the Association by law, the Declaration, these Bylaws, and the Articles, not specifically reserved thereby to others;
- (k) establish and maintain a funded reserve for contingencies and replacements in any amount which it determines, in its sole discretion, to be necessary or advisable and, to the extent that it deems desirable, to create requirements for other reasonable reserves (such as maintenance and repair, working capital, bad debts, and depreciation)
- (l) form committees of the Board and/or composed of persons who need not be members of the Board, members of the Association, or Occupants, and delegate to such committees such powers, authority, and responsibilities as the Board may, in the exercise of its sole discretion, determine to be appropriate; and,
- (m) borrow from any reserve fund established and maintained by it for a maximum period of ninety (90) days to fund expenditures authorized in the Declaration or these Bylaws;

Section 13. Duties. It shall be the duty of the Board to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by Members representing one-half (1/2) or more of the voting power of Members;

- (b) supervise all officers, agents and employees of the Association and see that their duties are properly performed;
- (c) as more fully provided in the Declaration:
 - (i) fix the amount of Assessments against each Lot as provided therein;
 - (ii) give written notice of each Assessment to every Member subject thereto within the time limits set forth therein; and,
 - (iii) foreclose the lien against any Lot(s) for which Assessments are not paid within a reasonable time after they are authorized by the Declaration to do so, or bring an action at law against the Member(s) personally obligated to pay the same, or both;
- (d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid;
- (e) procure and maintain insurance as provided in the Declaration, and as the Board deems advisable;
- (f) at its discretion cause all officers or employees handling Association funds to be bonded;
- (g) cause the property subject to the Association's scope of authority to be maintained within the scope of authority provided in the Declaration;
- (h) cause the Master Declaration to be enforced; and,
- (i) take all other actions required to comply with all requirements of law, the Articles, the Master Declaration and these Bylaws in the sole discretion of the Board..

Section 14. Non-Liability of the Board of Directors. The members of the Board of Directors shall not be liable to the Members or to the Association or its Members for any mistake of judgment or for any acts or omissions made in good faith as such Directors. The Members and the Association and its Members shall indemnify and hold harmless each member of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in good faith or contrary to the provisions of the Declaration applicable to the Lots or contrary to the Bylaws of this Association. The liability of any Owner or Member arising out of the aforesaid indemnity shall be limited to such proportion of the total liability as the number of votes held by the Owner relates to the total number of votes held by all Lot Owners.

Section 15. Directors and Officers Insurance. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate Directors and Officers Insurance. The premiums on such bonds shall be paid by the Association and shall be a Common Expense.

ARTICLE III

OFFICERS

Section 1. Enumeration of Officers. The officers of this Association shall be a president, a vice president, a secretary, a treasurer and such other officers as the Board may from time to time determine. The same person may hold more than one (1) office.

Section 2. Selection and Term. The officers of the Association shall be selected by the Board at the first meeting of the Board of Directors following each Annual Meeting of the members, and shall serve for a term of three (3) years unless replacing a member which could be one (1) or two (2) years necessary to maintain staggered terms, unless he or she shall sooner resign, be removed, or otherwise disqualified to serve.

Section 3. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for the above described period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 4. Resignation and Removal. Any officer may be removed from office by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and the acceptance of such resignation shall not be necessary to make it effective.

Section 5. Duties. The duties of the officers shall be such duties as the Board may from time to time determine. Unless the Board otherwise determines, the duties of the officers shall be as follows:

- (a) President. The president shall preside at all meetings of the Board, shall have the authority to see that orders and resolutions of the Board are carried out, and shall sign all leases, mortgages, deeds and other written agreements.
- (b) Vice President. The vice president shall perform the duties of the President in the event of his absence, inability or refusal to act, and shall have such other authority and perform such other duties as may be determined from time to time by the Board of Directors.
- (c) Secretary/Treasurer. The secretary shall record the votes and keep the minutes and proceedings of meetings of the Board and of the Lot owners, serve notice of meetings of the Board and of the Lot owners, and keep appropriate current records showing the names of Lot owners of the Association together with their addresses.

The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, disburse such funds as directed by resolution of the Board, sign all checks and promissory notes of the Association, keep proper books of account, and prepare an annual budget and a statement of income and expenditures to be presented to the Lot owners at the annual meeting, and deliver, mail, or by electronic notice provide a copy of each to each of the Lot owners.

ARTICLE IV

COMMITTEES

Section 1. The Board of Directors may appoint an Architectural Review Committee and a Nominating Committee, as provided by these Bylaws and/or the Declaration. The Architectural Review Committee will consist of at least one (1) board member and other Lot owners as assigned by a majority of the Board. The role of the Architectural Review Committee is to ensure that the submitted plans are in accordance with the Covenants and Rules of the Association. Any action on the findings of the Architectural Review Committee must be approved by the Board prior to responding to the applicant. Any problems that the Architectural Review Committee notes during construction which conflict with the Covenants and the Rules also must be brought to the attention of the Board.

Section 2. The Board may appoint a nominating committee (see Article II, Section 2 above).

Section 3. The Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes.

Section 4. It shall be the duty of the Board of Directors to act as a Committee of the whole to receive complaints from members on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such Directors, officers or Committees of the Association further concerned with the matter presented.

ARTICLE V

GENERAL POWERS OF THE ASSOCIATION

Section 1. Payments from Maintenance Funds. Each Member shall pay Assessments for Expenses, as provided herein and/or in the Declaration, for the benefit of all of the Members, and the Association shall place the funds so collected in one (1) or more accounts of the Association (such account or accounts being hereinafter referred to as the "Maintenance Fund"), and out of the Maintenance Fund the Association shall arrange and pay for the following:

- (a) Utility Services. The cost of any utility service for the Common Areas, if any;

(b) Liability Insurance. The premiums upon a policy or policies insuring the Association, the members of the Board and the Members against any liability to the public or to the Members, and their invitees or tenants, incident to the Development, Open Space and/or the Common Areas as provided in the Declaration, the limits of which policy or policies shall be reviewed annually;

(c) Wages and Fees for Services. The fees for services of any person or firm employed by the Association; including, without limitation, the services of a person or firm to act as a manager or managing agent for the Common Areas, the services of any person or persons required for the maintenance or operation of any part(s) of the Development under the Association's control, any legal and/or accounting services necessary or proper in the operation of the Association or the enforcement of the Declaration and these Bylaws and for the organization, operation and enforcement of the rights of the Association;

(d) Care of Association Areas. The cost of the maintenance, repair and/or replacements of the portions of the Common Areas which are to be maintained and repaired by the Association pursuant to the Declaration;

(e) Certain Maintenance of Lots. The cost incurred by the Association in connection with any maintenance and/or repair to any Lot or Residence and/or any portion of the Development which is the Member's responsibility, which the Association, in its discretion, deems to be necessary, and which maintenance and/or repair the Member has failed or refused to perform within a reasonable time after written notice of the necessity of such maintenance or repair has been delivered to the Member. In such circumstances, the Association shall levy a special assessment against such Member or Members for any such maintenance and/or repair together with other expenses which the Association may have incurred therewith;

(f) Additional Expenses. The cost of any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, Expenses or Assessments which the Association is required to secure or pay for pursuant to the terms of the Declaration, these Bylaws and/or by law or which is in the opinion of the Association are necessary or proper for the maintenance and operation of the Development as a first class real estate development or for the enforcement of the Declaration, these Bylaws and/or any rules and regulations promulgated hereunder.

(g) Reserve for Contingencies and Replacement – Supplemental Budget. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary shall be charged against such reserve. The Board may prepare a budget covering the non-recurring expense or estimated deficiency and there upon a separate assessment shall be made to each owner for his proportionate share of such supplemental budget. Any such separate assessment shall be subject to the affirmative vote of at least two-thirds (2/3rds) of the total ownership of all lots at a meeting specifically called for approving such separate assessments.

Section 2. Capital Additions and Improvements. The Association's powers hereinabove enumerated shall be limited in that the Association shall have no authority to acquire and pay for

out of the Maintenance Fund any capital additions and improvements (other than for purposes of replacing or restoring portions of the Common Areas, subject to all the provisions of the Declaration and these Bylaws) having a total cost in excess of Four thousand Dollars (\$4,000.00), nor shall the Association authorize any structural alterations, capital additions to, or capital improvements of, the Common Areas, if any, requiring an expenditure in excess of Four-thousand Dollars (\$4,000.00), without in each case the prior approval of two-thirds (2/3rds) of the voting power of the Association.

Section 3. Rules and Regulations. The Board of Directors may adopt rules and regulations and the Association, by vote of the Members entitled to exercise a majority of the voting power of the Association, may from time to time in a special meeting called for that purpose (as provided in Article I section 8b) supplement, amend and modify such rules and regulations as it may deem advisable for the maintenance, conservation and beautification of the Development, and for the health, comfort, safety and general welfare of the Members of the Association. Written notice of such rules and regulations shall be given to all Members and will be registered in Routt County. In the event any such rules and regulations shall conflict with any provisions of the Declaration or of these Bylaws, the provisions of the Declaration and of these Bylaws shall govern.

Section 4. No Active Business to be Conducted for Profit. The Association shall have no authority to conduct an active business for profit on behalf of Members or any of them; provided, however, that the Association shall have authority to lease or sublease any Lots or residences it may acquire by deed or lease in accordance with the provisions of the Declaration or these Bylaws.

Section 5. Delegation of Duties. Nothing herein contained shall be construed so as to preclude the Association, through its Board of Directors and officers, from delegating to persons, firms or corporations of its choice, including any manager or managing agent, such duties and responsibilities of the Association as the Board of Directors of the Association shall from time to time specify, and to provide for reasonable compensation for the performance of such duties and responsibilities.

ARTICLE VI

DETERMINATION AND PAYMENT OF COMMON EXPENSES AND ASSESSMENTS

Section 1. Obligation of Members to Pay Assessments and to Make a Contribution to Working Capital. It shall be the duty of every Member to pay the Member's proportionate share of any and all Assessments. Payment thereof shall be in such amounts and at such times as may be determined by the Board, as herein provided or as provided in the Declaration. Each Member shall also be obligated to pay all special assessments and other costs and assessments properly chargeable to such Member.

Section 2 Non-Use and Abandonment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas or abandonment of individual parcels.

ARTICLE VII

ESTABLISHMENT OF ANNUAL BUDGET

Section 1. Preparation of Estimated Budget. Prior to the beginning of each fiscal year, the Board shall estimate the total amount necessary to pay the cost of management fees, wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all such services in connection with the Development, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacement, and shall notify each Member in writing as to the amount of such estimate, with reasonable itemization thereof. The estimated cash requirements (hereinafter referred to as the "Estimated Cash Requirement") shall be assessed to the Members according to each Member's voting interest as set forth in the Declaration. The fiscal year shall be from August 1 to July 31 of the next year. The annual dues and any other assessments are due the first day of the fiscal year. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum. On or before the date of the annual meeting in each calendar year, the Association shall supply to all Members an itemized accounting of the maintenance expenses actually incurred in the preceding calendar year, together with a tabulation of the amounts collected pursuant to the estimate provided, and showing the net amount over or short of the actual expenditures plus reserves. The annual budget shall be established on an annual basis.

The portion of each Assessment payment made or to be made by each Member which may appropriately be considered, under generally accepted accounting principles as a contribution to capital and which the Board designates as such, shall be designated separately as such on the records of the Association and on Assessment notices sent to Members. That portion of each Assessment payment which is allocable to the reserve for contingencies and replacements and the portion allocable to any other reserve shall also each be separately designated for these purposes on the records of the Association and on Assessment notices sent to Members.

Section 2. Failure to Prepare Annual Budget. The failure or delay of the Association or Board of Directors to prepare or serve the annual or adjusted estimate on the Members shall not constitute a waiver or release in any manner of any Member's obligation to pay the Expenses for maintenance costs and necessary reserves or any other charge as herein provided, whenever the same shall be determined. In the absence of any annual estimate or adjusted estimate, the Member shall continue to pay the annual Assessments at the existing annual rate or rates established for the previous period until the first annual Assessment payment date which occurs more than ten (10) days after such new annual or adjusted estimate shall have been mailed or delivered.

Section 3. Books and Records of Association. The Association shall keep full and correct books of account and the same shall be open for inspection by any Member or any representative of any Member duly authorized in writing, at reasonable times during normal business hours and upon request by a Member or his or her representative. Upon thirty (30) days notice to the Board and upon payment of a reasonable fee, any Member shall be furnished a statement of his or her account setting forth the amount of any unpaid assessments or other charges due and owing from such Member.

Section 4. Status of Funds Collected by Association. All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for special assessments as may be levied hereunder against less than all of the Members, and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the use, benefit and account of all of the Members in proportion to each Member's voting interest as provided in the Declaration. The Board may, in its sole discretion, take any action which it deems necessary as to the collection, holding, disbursement, or categorization of the reserve funds in order to comply with the provisions of the Internal Revenue Code, U.S. Treasury Regulations issued thereunder, and/or any ruling by the Internal Revenue Service as to the noninclusion of such funds in the taxable income of the Association.

Section 5. Annual Audit. The books of the Association shall be audited once a year by the Board, and such audit shall be completed prior to each annual meeting of the Members. If requested by a majority of the Board of Directors, such audit shall be made by a Certified Public Accountant or an independent auditing firm.

Section 6. Encumbrancer's Statement and Right to Cure. Any encumbrancer may from time to time request in writing a written statement from the Board of Directors setting forth all unpaid amounts properly chargeable against the Lot covered by his, her or its encumbrance, which such request shall be complied with promptly. Any encumbrancer holding a lien on a Lot may pay any such unpaid amount properly chargeable against such Lot, and upon such payment such encumbrancer shall have a lien on such Lot for the amounts paid.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Service of Notices on the Board of Directors. Notice required to be given to the Board of Directors or to the Association may be delivered to any member of the Board of Directors or officer of the Association either personally or by mail addressed to such member or officer.

Section 2. Service of Notices on Devisees, Heirs-at-Law and Personal Representatives. Notices required to be given to any devisees, heirs-at-law, or personal representative of a deceased Member may be delivered either personally or by mail to such person at his, her or its address appearing on the records of the court wherein the estate of such deceased Member is being administered.

Section 3. Non-Waiver of Covenants. No covenants, restrictions, conditions, obligations or provisions contained in the Declaration or these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 4. Agreements Binding. All agreements and determinations lawfully made by the Association in accordance with the procedures established in the Declaration and these Bylaws shall be deemed to be binding on all Members, their respective successors, heirs and assigns.

Section 5. Enforceability of Covenants. The invalidity of any covenant, restriction, condition, limitation or any other provision of these Bylaws, or any part of the same shall not impair or affect in any manner the validity, enforceability or effect of the rest of these Bylaws.

ARTICLE IX

NOTICE AND HEARING PROCEDURE

Section 1. Suspension of Privileges. In the event of an alleged violation of the Declaration, these Bylaws or the Rules of the Association, and after written notice of such alleged failure is delivered to the alleged offending member or any agent of the member alleged to be in default, the Board of Directors shall have the right, after affording the respondent an opportunity of an appropriate hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors on the Board, to take one or more of the following actions:

- (a) levy a special assessment as provided in the Declaration;
- (b) suspend or condition the rights of said member to use any Common Property owned, operated or maintained by the Association;
- (c) suspend said member's voting privileges as a member, as further provided in the Declaration; or
- (d) record a notice of noncompliance encumbering the parcel of the respondent.

Any such suspension shall be for a period of not more than one hundred eighty (180) days for any non-continuing infraction, but in the case of a continuing infraction (including nonpayment of any assessment after the same becomes delinquent) may be imposed for so long as the violation continues. No sanction against a member arising from the alleged violation shall take effect prior to the expiration of twenty (20) days after the member's receipt of the complaint pursuant to this Section or twenty (20) days after the hearing required herein. The failure of the Board to enforce the Rules and Regulations of the Association, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter.

Section 2. Written Complaint. A hearing to determine whether any sanction should be levied against a respondent shall be initiated by the filing of a written complaint by any member or by any officer or member of the Board of Directors with the President of the Association or other presiding member of the Board. The complaint shall constitute a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the respondent is charged, and a reference to the specific provisions of the restrictions, declarations,

these Bylaws or rules and regulations of the Association which the respondent is alleged to have violated.

The respondent shall be entitled to a hearing on the merits of the matter and may file a separate statement by way of mitigation and a Notice of Defense.

Section 3. Notice of Hearing. If the Notice of Defense is filed, the Board shall deliver to the respondent by United States mail, return receipt requested, a notice of hearing on all parties at least ten (10) days prior to the hearing if such hearing is requested by the respondent. The hearing shall be held no sooner than thirty (30) days, but not later than fifty (50) days after the complaint is mailed to the respondent as provided above.

Section 4. Hearing. If the Notice of Defense is timely filed, the hearing shall be held before the Board in executive session on the date specified in the notice of hearing delivered to the respondent. If the Notice of Defense is not timely filed, the respondent's right to a hearing shall be deemed waived and the Board, in executive session, may proceed upon the complaint without a hearing. Prior to the effectiveness of any sanction hereunder, proof of notice, and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with statement of the date and manner of delivery is entered by the officer or director or other person who mailed or delivered such notice. The notice requirement shall be deemed satisfied if the respondent 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.

ARTICLE X

AMENDMENT OF BYLAWS

Section 1. Amendment by Directors. The Directors of the Association by the unanimous affirmative vote of all the Directors may amend or alter the Bylaws of the Association at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the powers of the Board of Directors. The statement of any proposed amendment shall accompany notice of any regular or special meeting at which such proposed amendment shall be voted upon. These Bylaws may not be amended insofar as such amendment would be inconsistent with the Declaration of Covenants of Big Valley Ranch at Steamboat IIA.

Section 2. Amendment by the Members. These Bylaws may be amended by the affirmative vote of two-thirds (2/3rds) of the members of the Association present or represented by proxy at any regular or special meeting, provided that a quorum as prescribed herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one percent (51%) of the owners. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. The Bylaws may not be amended insofar as such amendment would be inconsistent with the Declaration of Covenants at Big Valley Ranch at Steamboat IIA.

IN WITNESS WHEREOF, the Directors have approved and adopted these Bylaws for and on behalf of the Association at Routt County, Colorado, on and effective this 26th day of June, 2010.

Signed and acknowledged:

Ann C. Ball
Association President

in the presence of:

Board of Director Witness

[Signature]
Print name: Philip A. Holmes

Board of Director Witness

[Signature]
Print name: ANNE W J STEAR

Board of Director Witness

[Signature]
Print name: WALTER DABBERT

Board of Director Witness

[Signature]
Print name: Kelly Stahl

Board of Director Witness

[Signature]
Print name: RICHARD MUTH

Board of Director Witness

[Signature]
Print name: William T Hamilton

KNOW BY ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the Association known as Big Valley Ranch at Steamboat IIA Homeowners Association does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of said Association, as the Bylaws of said Association on the 26 day of June, 2010, and that they do now constitute the Bylaws of said Association.

ATTEST:

Kelly Stahl
Secretary