

**BYLAWS OF  
PEACEFUL VALLEY HOMEOWNERS ASSOCIATION, a Colorado Nonprofit  
Corporation**

**ARTICLE I.  
OFFICES AND DEFINITIONS**

Section 1.1 Business Offices. The principal office of the corporation is 9590 Penn Cross Place, Colorado Springs, CO 80925, but the corporation may at any time and from time-to-time change the location of its principal office. The corporation may have such other offices within Colorado, as the Board may designate or as the affairs of the corporation may require from time to time.

Section 1.2 Registered Office. The registered office required by the Colorado Revised Nonprofit Corporation Act (the “Act”) to be maintained in Colorado may be changed from time-to-time by the Board or by the Officers of the corporation, or to the extent permitted by the Act by the registered agent of the corporation, provided in all cases that the street addresses of the registered office and of the business office or home of the registered agent of the corporation are identical.

Section 1.3 Terms Defined in Declarations. Capitalized terms in these Bylaws shall have the same meaning as any similarly capitalized terms in the Declaration.

**ARTICLE II.  
PURPOSE**

Section 2.1 Purpose of Bylaws. These bylaws (the “Bylaws”) are adopted for the regulation and management of the affairs of Peaceful Valley Homeowners Association, a Colorado non-profit corporation (the “Association”) organized to be the Association to which reference is made in the Declaration for Peaceful Valley Homeowners Association (“Declaration”), to perform the functions as provided in the Declaration and to further the interests of Owners of the Lots.

**ARTICLE III.  
MEMBERS**

Section 3.1 Members. A “Member,” as provided in the Declaration, is the person/individual, or if more than one, all persons/individuals collectively, who constitute the Owner of a Lot.

Section 3.2 Memberships Appurtenant to Sites. Each Membership shall be appurtenant to the fee simple title to a Lot. The Person or Persons who constitute the Owner of fee simple title to a Lot shall automatically be the holder of the Membership appurtenant to that Lot and the Membership shall automatically pass with fee simple title to the Lot.

Section 3.3 Members’ Voting Rights. All Members shall be entitled to one vote for each Lot which he/she or it owns within the Properties.

Section 3.4 Cumulative Voting Not Permitted. Cumulative voting by Members shall not be permitted.

Section 3.5 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his/her duly authorized attorney-in-fact and filed with the Secretary of the meeting prior to the time the proxy is exercised. Any proxy may be revoked, prior to the time the proxy is exercised, by a Member in person at a meeting or by revocation in writing filed with the Secretary. A proxy shall automatically cease upon the conveyance by a Member of the Lot of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid after 11 months from the date of its execution. Any form of proxy furnished or solicited by the Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

Section 3.6 Any action that may be taken at any annual, regular, or special members' meeting may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. Any action taken by written ballot has the same effect as action taken at a members' meeting and may be so described in any document. The written ballot must state each proposed action and provide an opportunity to vote for or against each of them. A solicitations for votes by written ballot must: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals required to approve each matter other than election of directors; (3) state the time by which the corporation must receive a ballot for it to be counted; and (4) be accompanied by written information sufficient to permit each person casting the ballot to reach an informed decision on the matter.

Section 3.7 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least 50% of the votes of all Members shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of Members, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Members entitled to cast at least 25% of the votes of all Members, shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

Section 3.8 Vote Required at Members' Meetings. At any meeting if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws, except that in the case of elections in which there are more than two candidates the persons receiving the highest number of votes cast shall be elected.

Section 3.9 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if a consent, in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. In addition, any action required to be taken or which may be taken at a meeting of Members may be taken without a meeting if and to the extent permitted by the Colorado Revised Nonprofit Corporation Act.

Section 3.10 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) election of Directors (at annual meetings or special meetings held for such purpose) and (e) any other business of Association.

Section 3.11 Annual Meetings of Members. Annual meetings of the Members shall be held every year, on such day and at such time of day as is fixed by the Board of the Association and specified in the notice of meeting. Annual meetings shall not be required to be held prior to such date. The annual meeting shall be held to elect any Directors of the Association that are to be elected by the Members in accordance with the Declaration, and to transact such other business as may properly come before the meeting.

Section 3.12 Notice of Members' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered no less than 10 nor more than 50 days before the meeting and be either hand delivered or sent prepaid by United States mail to the mailing address of each Lot or to any other mailing address designated in writing by the Lot owner, by or at the direction of the President or the Secretary of the Association or the officers or persons calling the meeting, to each member entitled to vote at such meeting. The notice of an annual meeting shall include the names of any known candidate for Director and shall identify any other matter which it is known may come before the meeting. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his/her address as it appears on the records of the Association, with postage thereon prepaid.

#### ARTICLE IV. BOARD OF DIRECTORS

Section 4.1 General Powers. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed by, its Board of Directors ("Board") (a.k.a. board of directors, executive board). Without limiting the generality of the foregoing, the Board shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Association not reserved to Members in the Declaration, the Articles of Incorporation, these Bylaws or the Act or other applicable law.

Section 4.2 Special Powers and Duties of the Board. Without limiting the foregoing statement of general powers and duties of the Board or the powers and duties of the Board as set forth in the Declaration, the Board shall be vested with and responsible for the following specific powers and duties:

- (a) Assessments. The Association is empowered to fix and levy assessments as provided in the Declaration; to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Declaration.
- (b) Insurance. The duty to contract and pay premiums for fire and casualty and liability and other insurance in accordance with the provisions of the Declaration.
- (c) Agents and Employees. The power to select, appoint, and remove all officers, agents, and employees of the Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board.
- (d) Borrowing. The power, with the approval of the Members representing at least 67% of the voting power of the Association, to borrow money and to incur indebtedness for the purpose of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.
- (e) Enforcement. The power to enforce the provisions of the Declaration, the Rules and Regulations of the Association, these Bylaws or other agreements of the Association according to law.
- (f) Delegation of Powers. The power to delegate its powers.
- (g) Rules and Regulations. The power to adopt such rules and regulations with respect to the interpretation and implementation of the Declaration, and Governance Policies; provided, however, that such Rules and Regulations and Governance Policies shall be enforceable only to the extent that they are consistent with the Declaration, the Articles and these Bylaws.
- (h) To enter into contracts.

Section 4.3 Number of Directors. The number of Directors of the Association shall be not less than three (3) and not more than five (5). Subject to such limitations, the number of Directors shall be five (5) until changed by resolution of the Board.

Section 4.4 Directors shall serve terms of office of one (1) year. However, notwithstanding the expiration of his/her term, Directors shall hold office until their successor has been elected at the next annual meeting of the Association unless a Director resigns, is removed or his/her term of office terminates because he/she is no longer qualified to be a Director. Directors may be elected for successive terms.

Section 4.5 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

Section 4.6 Vacancies in Directors. Any vacancy occurring in the Board that is not caused by the expiration of the Director's term shall, by election at a special meeting of Members, be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his/her predecessor in office. A Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members.

Section 4.7 A Director must be an Owner of a Lot.

Section 4.8 The Board, by resolution adopted by a majority of the Directors, may designate and appoint one or more other committees, which may include Members who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee except that only a committee which consists of two or more Directors may exercise such authority as can only be exercised by the Board.

Section 4.9 Place of Directors' Meetings. Meetings of the Board shall be held at the principal office of the Association or at such other place, within or convenient to the Properties, as may be fixed by the Board and specified in the notice of the meeting.

Section 4.10 Regular Meetings. A regular annual meeting of the Board shall be held immediately after and at the same place as the annual meeting of the members, or as soon as practicable thereafter at the time and place, inside Colorado, determined by the Board, for the purpose of electing officers and for the transaction of such other business as may come before the meeting. The Board may provide by resolution the time and place, either within or outside Colorado, for the holding of additional regular meetings.

Section 4.11 Special Meetings. Special meetings of the Board may be called by or at the request of the president or any two Directors on not less than three (3) day notice and such notice shall state the time, day, place and purpose of the meeting. The person or persons authorized to call special meetings of the Board may fix the purpose, time, day and place, either within or outside Colorado, for holding any special meeting of the Board called by them.

Section 4.12 Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered to Directors not less than two days before the meeting and be either in person, by telephone, telegraph, teletype, electronically transmitted (e.g. email), by other form of wire or wireless communication, or by mail or private carrier. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the second business day after it is deposited in the mail addressed to the Director at his/her home or business address as either appears on the records of the Association, with postage thereon prepaid. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director at his/her home or business phone number as either appears on the records of the Association. If given personally, such notice shall be deemed to be delivered upon delivery or a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his/her home or business address as either appears on the records of the Association. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice. Notice may be also be provided to Members

in an electronic form, by posting on a website or provided in email not less than two days before the meeting.

Section 4.13 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business. Directors may participate in meetings by telephone.

Section 4.14 Vote Required at Directors' Meeting. At any meeting of the Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

Section 4.15 Officers at Meetings. The President shall act as chairman of the Board. The Board shall elect a Director to act as President and Secretary.

Section 4.16 Waiver of Notice. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting.

Section 4.17 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be given by all of the Directors.

## ARTICLE V. OFFICERS AND AGENTS

Section 5.1 Designation and Qualifications. The elected officers of the corporation shall be a president, a secretary and a treasurer. The Board may also appoint, designate or authorize such other officers, assistant officers and agents, as it may consider necessary or useful.—One person may hold more than one office at a time. Officers must be Directors of the corporation. All officers must be natural persons who are eighteen years of age or older. Officers shall be elected annually and shall hold at the pleasure of the Board.

Section 5.2 President. The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board and of the Members of the Association.

Section 5.3 Secretary. The Secretary shall be the custodian of the records; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Members, of the Board; shall keep at the principal office of the Association a record of the names and addresses of the Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him/her by the Board or by the President.

Section 5.4 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Board may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him/her by the Board or by the President.

Section 5.5 Surety Bonds. The Board may require any agent of the corporation to execute to the corporation a bond in such sums and with such sureties as shall be satisfactory to the Board.

## ARTICLE VI. FIDUCIARY MATTERS

Section 6.1 Right of Indemnification. The Association shall indemnify any Director and Officer, and may, in the discretion of the Board, indemnify any volunteer against any and all expenses actually and reasonably incurred by or imposed upon him/her in connection with, arising out of, or resulting from, any proceeding in which he/she may be involved or to which he/she is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his/her official capacity as a Director or Officer or Association volunteer, or (b) any matter claimed against him/her solely by reason of his/her being a Director or Officer or Association volunteer. The right of indemnification shall extend to all matters as to which a majority of disinterested directors of the Association by resolution, or independent legal counsel in a written opinion, shall determine that the Director or Officer or Association volunteer acted in good faith and had no reasonable cause to believe that his/her conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Director or Officer or Association volunteer is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his/her duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

Section 6.2 Advances of Expenses and Defense. The Association may advance expenses to, or where appropriate, may undertake the defense of, any Director or Officer or Association volunteer in a Proceeding provided that he/she shall undertake, in writing, to reimburse the Association for the Expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that he/she is not entitled to indemnification under this Article.

Section 6.3 Authority to Insure. The Association may purchase and maintain liability insurance on behalf of any corporate official, volunteer or employee against any liability asserted against him/her, including liabilities for which he/she might not be entitled to indemnification hereunder.

Section 6.4 Liability to Corporation or Its Members. A Director or officer shall not be liable as such to the corporation or its Members for any action taken or omitted to be taken as a Director

or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the corporation.

## ARTICLE VII. MISCELLANEOUS

Section 7.1 Amendment of Bylaws. The Board shall have the power to alter, amend or repeal these Bylaws or to adopt new Bylaws. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with law, the Declaration or the Articles of Incorporation.

Section 7.2 Compensation. No Director shall have the right to receive any compensation from the Association for serving as such Director or Officer except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board.

Section 7.3 Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

Section 7.4 Limited Liability. The Association and the Board shall not be liable to anyone for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

Section 7.5 Minutes and Presumptions. Minutes or any similar record of the meetings of Members or of the Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 7.6 Checks, Drafts, and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 7.7 Execution of Documents. The Board, except as these Bylaws otherwise provide, 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 Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

Section 7.8 Conveyances and Encumbrances. Property of the corporation may be assigned, conveyed or encumbered by such officers of the corporation as may be authorized to do so by the Board, and such authorized persons shall have power to execute and deliver any and all



instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the corporation shall be authorized only in the manner prescribed by applicable statute.

Section 7.9 Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; and the headings and paragraph titles are for guidance only and shall have no significance in the interpretation of these bylaws.

Section 7.10 Severability. The invalidity of any provision of these bylaws shall not affect the other provisions hereof, and in such event these bylaws shall be construed in all respects as if such invalid provision were omitted.

Section 7.11 The Association's obligation to allow records to be copied or examined and an Owner's right to copy and examine records are limited and governed by the Colorado Common Interest Ownership Act (the "Act"), C.R.S. 38-33.3-101 *et seq.*, (C.R.S. § 38-33.3.-317) as it is amended from time-to-time.

Section 7.12 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the Membership is appurtenant, and payment of any fee assessed by the Association in accordance with the Rules and Regulations to cover costs incurred by the Association to record such transfer. Prior to presentation of such evidence and payment of such fee, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

(END)

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**BYLAWS CERTIFICATE**

The undersigned certifies that he/she is the Secretary of Peaceful Valley Homeowners Association, a Colorado non-profit corporation, and that, as such, the undersigned is authorized to execute this certificate on behalf of said corporation, and further certifies that attached hereto is a complete and correct copy of the presently effective bylaws of said corporation.

Dated: March 16, 20 22.

Kinda Steuberg  
Kinda S. Lenberg  
Secretary