

(As Amended August 27, 2008)

**BYLAWS  
OF  
THE SPRIES DRAINAGE HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I  
OFFICES**

The registered office of the Corporation in the State of Colorado shall be located in the City of Colorado Springs and County of El Paso. The Corporation may have such other offices, as the Board of Directors may determine or as the business of the Corporation may require.

The address of the registered office may be changed from time to time by the Board of Directors.

**ARTICLE II  
MEMBERS**

SECTION 1. MEMBERS. Membership in the Corporation shall be as provided in the Declaration of Conditions, Covenants, Restrictions and Easements Affecting the Real Property known as The Boulders Broadmoor Filing No. 1 and The Boulders Broadmoor Filing No. 1-A as recorded in the real property records of El Paso County, Colorado, and as the same may be hereafter amended, supplemented or assigned ("Declaration"). All defined terms used in these Bylaws shall have the same meaning as any such defined terms in the Declaration, except that any reference in the Declaration to the "Association" shall mean and refer to this Corporation. Membership shall not be transferred, except in connection with the sale or conveyance of a Lot.

SECTION 2. VOTING RIGHTS AND DECLARANT CONTROL. Each Member shall have one vote for each Lot owned. The Corporation may suspend the voting rights of any Member who has not paid any dues or assessments outstanding under the Declaration until such time as all dues and assessments are paid current. Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the Board of Directors and to operate the Association until the Period of Declarant Control is terminated, and the Corporation shall not begin to function through its other Members until such time, unless the Declarant otherwise consents in writing.

SECTION 3. TERMINATION OF MEMBERSHIP. A membership shall terminate without any formal Corporation action whenever such person or persons cease to be the Owner of a Lot, yet such termination shall not relieve or release such former owner from any liability or obligation incurred under or in any way connected with this Corporation during the period of ownership or membership in the association, or impair any rights or remedies which the other Owners or the Corporation may have, either through the Board of Directors of the Corporation or directly, against such former Owner arising out of or in any way connected with ownership and membership of the covenants and obligations incident thereto.

SECTION 4. NO MEMBERSHIP CERTIFICATES. No membership certificates of the Corporation shall be required.

## **ARTICLE III** **ADMINISTRATION**

SECTION 1. **ANNUAL MEETING.** The annual meeting of the Members shall be held on such date, at such time and during the month of January as may be designated from time to time by the Board of Directors, beginning with the year 1998. The meeting shall be for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting is a legal holiday, the meeting shall be had on the next succeeding business day. If the election of directors is not had on the day designated herein for an annual meeting or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the Members as soon thereafter as conveniently may be held. Notwithstanding the foregoing, all Members of the Corporation acknowledge the right of Declarant to appoint the Board of Directors and to operate this Corporation until the end of the Declarant Control Period.

SECTION 2. **SPECIAL MEETINGS.** Special meetings of the Members may be called by a majority of the Board of Directors, by the President, by the Members entitled to vote sixty percent (60%) or more of the total votes of the Members, or as otherwise allowed pursuant to the Colorado Nonprofit Corporation Act.

SECTION 3. **PLACE OF MEETINGS.** The Board of Directors may designate any place, within the City of Colorado Springs, Colorado as the place of meeting for any annual meeting or for any special meeting called pursuant to Section 2 hereof. A waiver of notice signed by all Members may designate any place, either within or without the State of Colorado, as the place for the holding of such meeting. If no designation is made, or if a special meeting is otherwise called, the place of meeting shall be the registered office of the Corporation in the State of Colorado, except as otherwise provided in Section 5 of this Article III.

SECTION 4. **NOTICE OF MEETING.** Written or printed notice stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Corporation, with postage thereon prepaid. In the event that the Declaration imposes notice requirements other than as set forth in these Bylaws, the requirements of the Declaration shall control and prevail. Notice of all meetings shall also be sent in a similar manner to all First Mortgages who have requested that the Corporation provide such notice.

SECTION 5. **MEETING OF MEMBERS.** If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice and at such meeting any corporate action may be taken.

SECTION 6. **QUORUM.** The Members holding five percent (5%) of the votes which may be cast at any meeting shall constitute a quorum at any meeting of Members; provided, that if less than the Members holding five percent (5%) of the votes which may be cast are represented at said meeting, a majority of the Members present may adjourn the meeting from time to time without further notice. If a quorum is not present, a majority of those present at the meeting may vote to reschedule the meeting to a date not less than 30 or more than 60 days in the future. Holders of at least two and one half percent (2.5%) of all the votes of the Members shall constitute a quorum at any such rescheduled meeting.

SECTION 7. PROXIES. At all meetings of Members, a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Corporation before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

SECTION 8. INFORMAL ACTION BY MEMBERS. Any action required to be taken at a meeting of the Members, or any other action permitted to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote, 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.

SECTION 9. VOTING BY BALLOT. Except for the Declarant Control Period when the Declarant shall have the right to appoint the directors as provided in Article III, Section 1 of these Bylaws, all elections of directors shall be by written ballot. In all other matters, voting may be oral or by ballot as directed by the presiding officers, provided, however, that any Member may demand and require a vote by ballot.

SECTION 10. SUPERVISION OF MEETINGS. The chairman of the board or in his absence the President shall preside at all meetings of the Members. The Secretary shall keep or cause to be kept in books provided for that purpose the minutes of the meetings of the Members.

SECTION 11. FAILURE TO PAY ASSESSMENTS, SUSPENSION OF VOTING RIGHT. So long as a Member has failed to pay all assessments, costs and fees due under the Declaration, the Corporation may suspend the nonpaying Member's voting rights.

#### **ARTICLE IV** **DIRECTORS**

SECTION 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed by its Board of Directors.

SECTION 2. NUMBER, TENURE AND QUALIFICATIONS. The number of directors which shall constitute the whole board shall be not less than 3. The first board shall consist of three directors, as provided in the Articles of Incorporation. Thereafter, within the limits above specified and subject to Declarant's rights to appoint directors as provided in Article III, Section 1 of these Bylaws, the number of directors shall be determined by resolution of the Board of Directors or by the majority of the Members at the annual meeting. The vote of a majority of the Members may remove any or all directors at any time, for any reason, without notice. The director(s) shall be elected at the annual meeting of the Members, except as provided herein. Directors shall be an Owner of a Lot, except that this requirement shall not apply to directors appointed by Declarant. Directors shall be elected at the annual meeting of the Members, and shall, except for the initial directors, serve for a term of three years from the date of the annual meeting of the Members at which they were elected. At the time of this amendment, the terms are set at one term expiring in 2009, two terms expiring in 2010 and two terms expiring in 2011.

SECTION 3. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than provided pursuant to these Bylaws for the annual meeting of the Members immediately after and at the same place as, the annual meeting of the Members. The Board of Directors may provide by resolution the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President, any two or more directors, or the Chairman. The person or persons authorized to call special meetings of the Board of Directors may fix any place, within the City of Colorado Springs, Colorado, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 5. NOTICE OF MEETINGS. Notice of a special meeting shall be given to each director at least twenty-four (24) hours before the meeting by written notice delivered personally, or mailed to each director at his business address; or by telegram. Notice by mail shall be deemed to be delivered when it is deposited in the United States mail, addressed to the director with the postage on the letter prepaid. Notice by telegram shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or conveyed. Neither the business to be transacted at, nor the purpose at any regular or special meeting of the Board of Directors need be specified in the notice of such meeting or waiver of notice of the meeting.

SECTION 6. QUORUM. A majority of the number of directors fixed pursuant to these Bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that; if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 7. MANNER OF ACTION. The act of the majority of directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. VACANCIES. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. The directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Nothing contained in this Section 8 or elsewhere in these Bylaws shall prevent or prohibit Declarant from having the right to appoint all of the directors of the Corporation as provided in Article III, Section 1 of these Bylaws.

SECTION 9. INFORMAL ACTION BY DIRECTORS. Unless specifically prohibited by the Articles of Incorporation or Bylaws, any action required to be taken at a meeting of the Board of Directors, or any other action, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors entitled to vote with respect to the subject matter thereof. Any such consent signed by all the directors shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Secretary of State.

SECTION 10. POWER AND DUTIES. The Board of Directors shall carry on the duties and manage the affairs of the Corporation and may exercise all powers, duties, discretion and authority vested in or delegated to the Corporation by the Declaration, the Articles of Incorporation or these Bylaws which are not specifically reserved to the Members of the Corporation or the Declarant. The Board of Directors shall have and may exercise any right, privilege or discretion which may be necessary or desirable to fulfill the Corporation's duties, obligations, rights or privileges.

SECTION 11. PRESUMPTION OF ASSENT. A director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 12. PENALTIES. The Board of Directors may enforce its rules and regulations, the provisions of the Declaration, the Articles of Incorporation or these Bylaws by such means as it deems reasonable and appropriate, including, but not limited to the imposition of fines and the temporary suspension of the rights of Members to vote.

SECTION 13. COMMITTEES. The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose, including, without limitation, an architectural control committee, which may be the Board itself.

## ARTICLE V OFFICERS

SECTION 1. NUMBER. The officers of the Corporation shall be a chairman of the board, a President, one or more Vice-Presidents (the number thereof to be determined by the Board of Directors), a Treasurer, and a Secretary, and such assistant Treasurers, assistant secretaries or other officers as may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person except the offices of President and Secretary. The President or Vice-President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Corporation.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be selected/appointed annually by the Board of Directors at the meeting of the Board of Directors held at the end of the annual meeting of Members. If the selection of officers shall not be held at such meeting, such selection shall be held as soon thereafter as may be convenient. Vacancies may be filled or new offices filled at any meeting of the Board of Directors. Each officer shall hold office with his successor shall have been duly appointed and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 3. REMOVAL. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby. Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the Board of Directors and to operate the Association until the Period of Declarant Control is terminated, and the Association shall not begin to function through its other Members until such time, unless the Declarant otherwise consents in writing.

SECTION 4. VACANCIES. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. CHAIRMAN OF THE BOARD. The chairman of the board shall be elected from among the directors. He shall be the chief executive officer of the Corporation, and he shall have ultimate control of the business and affairs of the Corporation and preside at all meetings of the Members and of the Board of Directors. He shall have such other powers and duties as may be prescribed by the Board of Directors. The chairman may also, but is not required to, serve as President of the Corporation.

SECTION 6. PRESIDENT. The President shall be the principal operating officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors any deeds, mortgages, bonds, contracts, or other instrument which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Board of Directors or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the Board of Directors from time to time or as from time to time may be assigned to him by the chairman of the Board of Directors. The President and all employees within his jurisdiction shall be covered by a fidelity bond in such sum and with such surety or sureties as the Board of Directors shall determine.

SECTION 7. VICE-PRESIDENTS. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (or in the event there may be more than one Vice-President, the Vice-Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President and, then so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors or the chairman of the Board of Directors.

SECTION 8. TREASURER. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall:

(A) Have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for money due and payable to the Corporation from any source whatsoever and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories in accordance with the instructions of the Board of Directors;

(B) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors or the chairman of the Board of Directors.

SECTION 9. SECRETARY. The Secretary shall:

(A) Keep the minutes of the Members' and of the Board of Directors' meetings in one or more books provided for that purpose;

(B) See that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration or as required by law;

(C) Be custodian of the corporate records and of the seal of the Corporation;

(D) Keep a register of the post-office address of each Member, which shall be furnished to the Secretary by such Member and addresses of all registered First Mortgagees;

(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 chairman of the Board of Directors or the Board of Directors.

SECTION 10. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant Treasurers shall respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant Treasurers and assistant secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors.

## **ARTICLE VI** **CONTRACTS, LOANS, CHECKS, DEPOSITS AND GIFTS**

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select

SECTION 5. GIFTS. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

## **ARTICLE VII** **BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote and all registered First Mortgagees. All books and records of the Corporation may be inspected by any Member, or his agent or attorney for any proper purpose at any reasonable time.

**ARTICLE VIII**  
**ASSESSMENTS**

SECTION 1. ANNUAL ASSESSMENTS. Assessments shall be determined and collected from Members in accordance with the Declaration.

SECTION 2. WORKING CAPITAL. Working Capital payments shall be determined and collected from Members in accordance with the Declaration and shall commence prior to the first annual meeting of the Members.

SECTION 3. FAILURE OF MEMBERS TO PAY ASSESSMENTS. When any Member shall fail to pay the assessments, the Corporation may, at its option, proceed to collect the assessment in accordance with the Declaration.

**ARTICLE IX**  
**FISCAL YEAR**

The fiscal year of the Corporation shall end on the last day of December and begin on the first day of January in each year.

**ARTICLE X**  
**WAIVER OF NOTICE**

Whenever any notice whatsoever is required to be given under the provisions of these Bylaws, the Articles of Incorporation, the Colorado Nonprofit Corporation Act or the Declaration, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

**ARTICLE XI**  
**INDEMNIFICATION**

SECTION I. INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation hereby declares that any person who serves as a director or officer shall be deemed the Corporation's agent for the purposes of this Article and shall be indemnified by the Corporation against expenses, including attorneys' fees, judgments, fines, excise taxes, and amounts paid in settlement actually and reasonably incurred by such person who was or is a party or threatened to be made a party to any threatened pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative, by reason of such service, provided such person acted in good faith and in a manner he reasonably believed to be in the best interests of the Corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Except as provided in Section 3 of this Article XI, termination of any such action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not of itself create either a presumption that such person did not act in good faith and in a manner which he reasonably believed to be in the best interests of the Corporation or with respect to any criminal action or proceeding, a presumption that such person had reasonable cause to believe that his conduct was lawful.



SECTION 2. INDEMNIFICATION AGAINST LIABILITY TO CORPORATION. No indemnification shall be made in respect of any claim, issue or matter as to which a person covered by Section 1 shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action, suit or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which such court shall deem proper.

SECTION 3. INDEMNIFICATION IN CRIMINAL ACTIONS. No indemnification shall be made in respect of any criminal action or proceeding as to which a person covered by Section 1 shall have been adjudged to be guilty unless and only to the extent that the court in which such action or proceeding was brought shall determine upon application that despite the adjudication of guilt but in view of all the circumstances of the case, such person is entitled to indemnification for such expenses for fines which such court shall deem proper.

SECTION 4. OTHER INDEMNIFICATION. The indemnification provided by this Article XI shall not be deemed exclusive of any other rights to which any person may be entitled Under the Articles of Incorporation, any agreement, Bylaw (including without limitation any other or further section or provision of this Article), vote of the Members of disinterested directors or otherwise, and any procedure provided for by any of the foregoing, both as to action in his official capacity and as to action in another capacity while holding such office.

SECTION 5. PERIOD OF INDEMNIFICATION. Any indemnification pursuant to this Article shall continue as to any indemnified party who has ceased to be a director, officer, or agent of the Corporation and shall inure to the benefit of the heirs and personal representatives of such indemnified party. The repeal or amendment of this Article or of any section or provision hereof which would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Corporation to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions which occurred prior to such repeal or amendment.

SECTION 6. INSURANCE FOR DIRECTORS AND OFFICERS. By action of the Board of Directors, notwithstanding any interest of the directors in such action, the Corporation shall purchase and maintain insurance, in such amounts as the Board of Directors may deem appropriate, on behalf of any person indemnified hereunder against any liability asserted against him and incurred by him in his capacity or arising out of his status as an agent of the Corporation, whether or not the Corporation would have the power to indemnify him against such liability under applicable provisions of law. The Corporation may also purchase and maintain insurance, in such amounts as the Board of Directors may deem appropriate, to insure against any liability for the indemnification provided in this Article.

SECTION 7. LIABILITY AND HAZARD INSURANCE. The Corporation shall purchase and maintain such insurance as is required by the Declaration. The Corporation may also purchase and maintain other insurance, in such amounts as the Board of Directors may deem appropriate, to insure the Corporation against any other liability.

**SECTION 8. RIGHT TO IMPOSE CONDITIONS TO THE INDEMNIFICATION.** The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as to the Board of Directors or Members may appear appropriate in each specific case and circumstance, including but not limited to anyone or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any action shall be counsel mutually agreeable to the person to be indemnified and to the Corporation; (b) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Corporation shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

**ARTICLE XII**  
**OTHER PROTECTIONS AND**  
**RESTRICTIONS OF OFFICERS AND DIRECTORS**

**SECTION 1. CONFLICTS OF INTEREST.** An officer or director may act for the Corporation although he is associated with or interested in another party which is involved in the transaction provided only that he has disclosed that interest to the Corporation in writing prior to the transaction and no other officer or director has made known any objection.

**SECTION 2. LOANS.** The Corporation shall not make any loans to any of its directors or officers.

**SECTION 3. COMPENSATION.** The Corporation shall not pay any compensation to its directors or officers for their services as such. Directors and officers will be reimbursed for their actual expenses incurred in connection with their duties.

**ARTICLE XIII**  
**AMENDMENTS**

**SECTION 1. BYLAWS.** These Bylaws may be amended by a majority vote of the Board of Directors or by a majority vote of a quorum of Members at any regular meeting or at any special meeting called for that purpose. No amendment to these Bylaws shall be made which conflicts with the laws of the State of Colorado, the Declaration or the Articles of Incorporation of the Association.

**SECTION 2. NOTICE TO FIRST MORTGAGEES.** Notice of any meeting of Members where any amendment to these Bylaws is contemplated shall be sent by the Secretary to all First Mortgagees of record who have requested such notice.

**ARTICLE XIV**  
**MISCELLANEOUS**

**SECTION 1. PROOF OF OWNERSHIP.** Each Member of the Corporation, upon becoming a Member shall furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting the Member with an ownership interest. Such copy shall remain in the files of the Corporation. The Board of Directors may deny voting rights to any Member who has not satisfied this requirement.

SECTION 2. REGISTRATION OF MAILING ADDRESS. All Members shall furnish to the Board of Directors in writing a mailing address to which all notices and assessments required under these Bylaws or the Declaration shall be sent. If a Lot is owned by two or more persons, such co-owners shall designate one address as their registered address. Any Member may change the address to which future notices or assessments shall be sent by written notice of such change delivered to the Board of Directors. If a Member fails to furnish such a notice to the Board of Directors, such notices shall be sent to the mailing address of that Member's Lot.

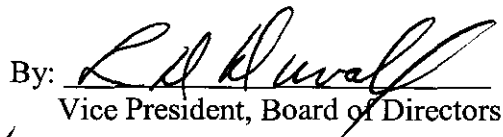
SECTION 3. REGISTRATION OF FIRST MORTGAGEES. Any Owner who mortgages or grants a deed of trust or who executes any other security instrument creating a lien on his Lot shall notify the Board of Directors of the name and address of the First Mortgagee, as defined in the Declaration, and shall file conformed copies of the note and security instrument with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Record of First Mortgagees." Notwithstanding anything in these Bylaws to the contrary, only First Mortgagees who are duly registered in this book shall be entitled to receive the information or notices provided for in these Bylaws or be entitled to vote on Corporation matters.

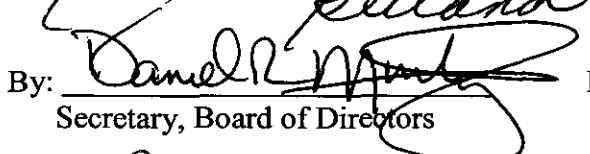
SECTION 4. DECLARATION CONTROLS. If any provision of these Bylaws conflicts with any provision of the Declaration, the Declaration shall control.

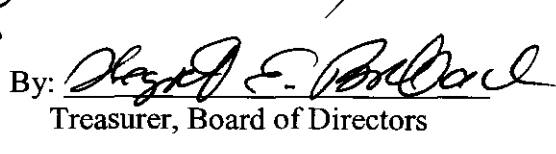
The foregoing Bylaws were adopted on August 27, 2008 by the Board of Directors of The Spires Drainage Homeowners Association.

APPROVED:

By:   
President, Board of Directors

By:   
Vice President, Board of Directors

By:   
Secretary, Board of Directors

By:   
Treasurer, Board of Directors

By:   
Director at Large, Board of Directors