

**BYLAWS
OF
GURLEY LAKE RANCH OWNERS ASSOCIATION, INC.
A COLORADO NONPROFIT CORPORATION**

ARTICLE 1 - INTRODUCTION AND PURPOSE

Section 1.1 - Introduction.

These are the Bylaws of Gurley Lake Ranch Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), the Articles of Incorporation of which were filed with the Secretary of State of Colorado on June 25, 1998 (the "Articles"). The Association shall operate under the Colorado Nonprofit Corporation Act (the "Nonprofit Act"), as amended, and the Colorado Common Interest Ownership Act, as amended ("CCIOA").

Section 1.2 - Purposes.

The Association has been formed to administer the operation and management of Gurley Lake Ranch (the "Ranch") and to further the interests of Owners of Lots within the Ranch. The Association shall administer the operation and management of the Ranch pursuant to these Bylaws; the General Declaration of Covenants, Conditions and Restrictions for Gurley Lake Ranches, Unit 1, San Miguel County, Colorado (the "Filing 1 CC&Rs" – applicable to Tracts 1, 2 and 3), dated and recorded January 18, 1996 in Book 556 at Page 130 of the Official Records of the County Clerk and Recorder, San Miguel County, Colorado ("Official Records"); and the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements of Gurley Lake Ranch, recorded in the Official Records of the County Clerk and Recorder, San Miguel County, Colorado, on August 1, 1997, at Reception No. 313680, as amended (the "Declaration" – applicable to Lots 1-39).

The purposes for which the Association was formed are to preserve and enhance the value of the properties of Association Members (as that term is defined below) and to govern the Common Elements and affairs of "Gurley Lake Ranch," a rural cluster subdivision, situated in the County of San Miguel, State of Colorado (the "Ranch"). Terms, which are defined in the Filing 1 CC&Rs and the Declaration, shall have the same meaning herein, unless defined otherwise in these Bylaws.

Section 1.3 - Persons Subject to Bylaws.

All present or future Owners, tenants, future tenants, guests or any person that might use or occupy, in any matter, the facilities within the Ranch, are subject to the terms and provisions of these Bylaws, and the other governing documents (e.g., Filing 1 CC&Rs, the Declaration, Design Standards, and Responsible Governance Policies) of the Ranch (collectively referred to herein as "Ranch Documents"). The mere acquisition, rental or use of a Lot will signify that the Ranch Documents are acceptable, ratified and will be complied with.

ARTICLE 2 - BOARD

Section 2.1 - Number and Qualification.

- (a) The affairs of the Ranch and the Association shall be governed by a Board of Directors which shall consist of five (5) persons. If any Lot is owned by a partnership or corporation, any officer, partner or employee of that Lot Owner shall be eligible to serve as a Director and shall be deemed to be a Lot Owner for the purposes of these Bylaws. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws, Nonprofit Act or for conducting the elections.
- (b) As required by law, the terms of at least one-third (1/3) of the Directors shall expire annually. To ensure compliance with this law, annually, at least two (2) of the five (5) Director Seats shall be placed up for election. As such, if required to accomplish this, the Board shall decide to place up for election one (1) of the two (2) Seats expiring the following year. If the Board cannot agree upon this matter, then the Board shall by random drawing select one (1) of the Seats to be placed up for election.

Terms shall be two (2) years, unless revised as stated herein. Terms shall be staggered so as to provide for continuity. Director terms are currently as follows:

Seat One: 2014 through conclusion of the 2015 Owners meeting

This Seat is occupied by Karen Burchfield

Seat Two: 2014 through conclusion of the 2015 Owners meeting

This Seat is occupied by Craig Willis

Seat Three: 2014 through conclusion of the 2016 Owners meeting

This Seat is occupied by Tom Colander

Seat Four: 2014 through conclusion of the 2016 Owners meeting

This Seat is occupied by Martin Grambow

Seat Five: 2014 through conclusion of the 2017 Owners meeting

This Seat is occupied by Kent Sherman

- (c) The Board of Directors shall elect the officers from among the Board. The Directors and officers shall take office upon election.

Section 2.2 - Powers and Duties.

The Board of Directors may act in all instances on behalf of the Association, except as provided in the Filing 1 CC&Rs, the Declaration, these Bylaws or CCIOA. The Board of Directors shall have, subject to the limitations contained in the Filing 1 CC&Rs, the Declaration and CCIOA, the powers and duties necessary for the administration of the affairs of the Association and the Ranch, including the following powers and duties:

- (a) Adopt and amend Bylaws and Rules and Regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;

- (c) Collect assessments for Common Expenses from Lot Owners;
- (d) Hire and discharge managing agents of either the Association and/or on behalf of individual Lot owners;
- (e) Hire and discharge employees, independent contractors and agents other than managing agents of either the Association and/or on behalf of individual Lot Owners;
- (f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Filing 1 CC&Rs, the Declaration, Bylaws or Rules and Regulations in the Association's name, on behalf of the Association or two or more Lot Owners on matters affecting the Ranch;
- (g) Make contracts and incur liabilities, both on behalf of the Association and any individual Lot Owners engaging the Association for such purposes;
- (h) Regulate the use, maintenance, repair, replacement and modification of Ranch Common Elements;
- (i) Cause additional improvements to be made as a part of the Ranch Common Elements;
- (j) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property; provided that Ranch Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of CCIOA;
- (k) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Ranch Common Elements;
- (l) Impose and receive a payment, fee or charge for services provided to Lot Owners and for the use, rental or operation of the Ranch Common Elements, other than Limited Common Elements described in Subsections 202(l)(b) and (d) of CCIOA;
- (m) Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy reasonable fines for violation of the Filing 1 CC&Rs, the Declaration, these Bylaws, and/or the Rules and Regulations of the Association;
- (n) Impose a reasonable charge for the preparation and recording of amendments to the Filing 1 CC&Rs, the Declaration or statements of unpaid assessments;
- (o) Provide for the indemnification of the Association's officers and the Board of Directors and maintain Directors' and officers' liability insurance;

- (p) Exercise any other powers conferred by the Filing 1 CC&Rs, the Declaration or these Bylaws;
- (q) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
- (r) Exercise any other power necessary and proper for the governance and operation of the Association; and
- (s) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Lot Owners and the Board of Directors. However, actions taken by a committee may be appealed to the Board of Directors by any Lot Owner within fifteen (15) days after publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Board of Directors at its next regular meeting.

Section 2.3 - Association Manager.

The Board of Directors may employ a manager for the Ranch, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors may delegate to this manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, Subsections (c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget. Regardless of any delegation to a manager or managing agent, the Directors of the Board of Directors shall not be relieved of responsibilities under the Filing 1 CC&Rs, the Declaration, the Articles of Incorporation, these Bylaws or Colorado law.

Section 2.4 - Individual Lot Owners' Manager.

The Board of Directors may also employ a manager or managers for such individual Lot Owners as shall designate the Association as their agent for purposes of engaging management of their Lot(s). In this capacity as the agent for such Lot Owner(s), the Board of Directors may employ such manager or managers to perform such services and duties and at a compensation established by the Board of Directors with the consent of the Lot Owner.

Section 2.5 - Removal of Directors.

The Lot Owners, by a vote of at least two-thirds (2/3) of the votes at any meeting of the Lot Owners at which a quorum is present, may remove a Director, with or without cause.

Section 2.6 - Vacancies.

Vacancies in the Board of Directors, caused by any reason other than the removal of a Director by a vote of the Lot Owners, may be filled at a special meeting of the Board of Directors held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. These appointments shall be made by a majority of the remaining elected Directors constituting the Board of Directors. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 2.7 - Regular Meetings.

The Board of Directors shall conduct at least one (1) regular meeting annually, and such other meetings as deemed necessary from time to time, at a time and place to be set by the Board of Directors.

Section 2.8 - Special Meetings.

Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three (3) business days' notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

Section 2.9 - Location of Meetings.

All meetings of the Board of Directors will be held either, in person, at a location within San Miguel County, Colorado, selected by the Board President, or via telecommunications.

Section 2.10 - Waiver of Notice.

Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 2.11 - Quorum of Directors.

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business. At a meeting at which a quorum is present, the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. At any adjourned meeting at which a quorum is present, any business, which might have been transacted at the meeting originally called, may be transacted without further notice.

Section 2.12 - Consent to Corporate Action.

If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Board of Directors.

Section 2.13 - Telephone Communication in Lieu of Attendance.

A Director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

ARTICLE 3 - LOT OWNERS AND MEMBERSHIP

Section 3.1 - Membership.

Ownership of a Lot is required in order to qualify for membership in this Association. Membership is more fully addressed in the Articles of Incorporation, the Filing 1 CC&Rs and the Declaration.

Section 3.2 - Annual Meeting.

Annual meetings of Lot Owners shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Board of Directors and set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Lot Owners, in accordance with the provisions of these Bylaws, the Filing 1 CC&Rs, the Declaration and the Articles of Incorporation. The Lot Owners may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not work a forfeiture or dissolution of the Association.

Section 3.3 - Budget Meeting.

Meetings of the Lot Owners to consider proposed budgets shall be called in accordance with CCIOA. The budget may be considered at Annual or Special Meetings called for other purposes as well.

Section 3.4 - Special Meetings.

Special meetings of the Association may be called by the President, by a majority of the Board of Directors, or by Lot Owners comprising at least twenty percent (20%) of the votes in the Association.

Section 3.5 - Place of Meetings.

Meetings of the Lot Owners shall be held anywhere in San Miguel County, Colorado, as shall be designated by the Board President.

Section 3.6 - Notice of Meetings.

The Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Lot Owners to be hand-delivered or sent prepaid through the United States mail to the mailing address of each Lot or to the mailing address designated in writing by the Lot Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting. A copy of the notice shall be sent via E-mail to the Lot Owner's last known E-mail address, provided that the Lot Owner has supplied the Association with an E-mail address. No action shall be adopted at a meeting except as stated in the notice.

Section 3.7 - Waiver of Notice.

Any Lot Owner may, at any time, waive notice of any meeting of the Lot Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 3.8 - Adjournment of Meeting.

At any meeting of Lot Owners, a majority of the Lot Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

Section 3.9 - Order of Business.

The order of business at all meetings of the Lot Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Approval of minutes of preceding meeting;
- (d) Election of inspectors of election (when required);
- (e) Election of Directors on the Board of Directors (when required);
- (f) Ratification of budget (if required and noticed);

- (g) Committee Reports;
- (h) Unfinished business; and
- (i) New business.

Section 3.10 - Voting.

- (a) If only one of several Owners of a Lot is present at a meeting of the Association, the Owner present is entitled to cast all the votes allocated to the Lot. If more than one of the Owners are present, the votes allocated to the Lot may be cast only in accordance with the agreement of majority in interest of the Owners. There is majority agreement if any one of the Owners casts the votes allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Lot.
- (b) Votes allocated to a Lot may be cast under a proxy duly executed by a Lot Owner. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. A Lot Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Associations. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates one year after its date, unless it specifies a shorter term.
- (c) The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the board of directors or Bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Owner is qualified to vote.
- (d) Votes allocated to a Lot owned by the Association may not be cast.

Section 3.11 - Quorum.

Except as otherwise provided in these Bylaws, the Lot Owners present in person or by proxy at any meeting of Lot Owners, but no less than twenty percent (20%) of the Lot Owners, shall constitute a quorum at that meeting.

Section 3.12 - Majority Vote.

The Vote of a majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Lot Owners for all purposes except where a higher percentage vote is required in the Filing 1 CC&Rs, the Declaration, these Bylaws, the Articles of Incorporation or by law.

Section 3.13 - Unit Owner Addresses for Notices.

Unless a Lot Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Lot Owner or any other written instrument to be given to any Lot Owner, may be mailed to such Lot Owner in a postage prepaid envelope and mailed by first class, to the address of the Lot shown upon the Association's records as being owned by such Lot Owner. If more than one Lot Owner owns a particular Lot, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Board of Directors in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

Section 3.14 - Rules at Meeting.

The Board of Directors may prescribe reasonable rules for the conduct of all meetings of the Board and Lot Owners. In the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 4 - OFFICERS

Section 4.1 - Designation.

The principal officers of the Association shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant Treasurer, an assistant Secretary and other officers as it finds necessary. The President and Vice President, but no other officers, need to be Directors. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant.

Section 4.2 - Election of Officers.

The officers of the Association shall be elected by the Board of Directors as required to fill vacancies. They shall hold office at the pleasure of the Board of Directors.

Section 4.3 - Removal of Officers.

Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

Section 4.4 - President.

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Lot Owners and the Board of Directors. The President shall have all of the general powers and duties which are incident to the office of President of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to, the power to appoint committees from among the Lot Owners from time-to-time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Filing 1 CC&Rs, the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 - Vice President.

The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Board of Directors or by the President.

Section 4.6 - Secretary.

The Secretary shall keep the minutes of all meetings of the Lot Owners and the Board of Directors. The Secretary shall have charge of the Association's books and papers as the Board of Directors may direct and shall perform all the duties incident to the office of Secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Filing 1 CC&Rs, the Declaration and the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 - Treasurer.

The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board of Directors and shall perform all the duties incident to the office of Treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board of Directors. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two Directors, one of whom may be the Treasurer if the Treasurer is also a Director.

Section 4.8 - Agreements, Contracts, Deeds, Checks, etc.

Except as provided in Sections, 4.4, 4.6, and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Board of Directors.

Section 4.9 - Statements of Unpaid Assessments.

The Treasurer, assistant treasurer, a manager employed by the Association, if any, or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of CCIOA.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as a Common Expense against the Lot for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1 - Abatement and Enjoinment of Violations by Lot Owners.

Consistent with the Ranch Documents and in addition to any other rights set forth in these Bylaws, the Board of Directors has the right to investigate any alleged violation of and to enforce the Filing 1 CC&Rs, the Declaration and Design Standards and, in addition, after notice and hearing except in the case of an emergency, the right:

- (a) To enter on any Lot or Ranch Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Ranch Common Elements contrary to the intent and meaning of the provisions of the Ranch Documents. The Board of Directors shall not be deemed liable for any manner of trespass by this action; or
- (b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2 - Fines for Violation.

By resolution, following notice and hearing, the Board of Directors may levy reasonable fines per day for each day that a violation of the Ranch Documents persists after notice and hearing, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Board of Directors.

ARTICLE 6 - INDEMNIFICATION

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Nonprofit Act, the provisions of which are incorporated by reference and made a part of this document.

ARTICLE 7 - RECORDS

Section 7.1 - Records and Audits.

The Association shall maintain financial records. The cost of any audit shall be a Common Expense unless otherwise provided in the Ranch Documents.

Section 7.2 - Examination.

All records maintained by the Association or the Manager shall be available for examination and copying by any Lot Owner, any holder of a Security interest in a Lot or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 7.3 - Records.

The Association or its manager or managing agent, if any, may keep the following records:

- (a) An account for each Lot, which shall designate the name and address of each Lot Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;
- (b) An account for each Lot Owner showing any other fees payable by the Lot Owner;
- (c) A record of capital expenditures approved by the Board of Directors;
- (d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;
- (e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (f) The current operating budget adopted pursuant to Section 315(l) of CCIOA and ratified pursuant to the procedures of Section 303(4) of CCIOA;
- (g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

- (h) A record of insurance coverage provided for the benefit of Lot Owners and the Association;
- (i) A record of any alterations or improvements to Lots or Limited Common Elements which violate any provisions of the Filing 1 CC&Rs, the Declaration of which the Board of Directors has knowledge;
- (j) A record of any violations, with respect to any portion of the Ranch, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Board of Directors has knowledge;
- (k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements;
- (l) Balance sheets and other records required by Nonprofit Act;
- (m) Tax returns for state and federal income taxation;
- (n) Minutes of proceedings of Lot Owners, Directors, committees of Directors and waivers of notice; and
- (o) A copy of the most current versions of the Filing 1 CC&Rs, the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, and resolutions of the Board of Directors, along with their exhibits and schedules.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 - Notices.

All notices to the Association or the Board of Directors shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Board of Directors may designate by written notice to all Lot Owners and to all holders of security interests in the Lots who have notified the Association that they hold a security interest in a Lot. Except as otherwise provided, all notices to any Lot Owners shall be sent to the Lot Owner's address as it appears in the records of the Association. All notices to holders of security interests in the Lots shall be sent, except where a different manner of notice is specified elsewhere in the Ranch Documents, by United States mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of change of address, which shall be deemed to have been given when received.

Section 8.2 - Fiscal Year.

The fiscal year of the Association shall be the calendar year. The Board of Directors may revise the fiscal year of the Association.

Section 8.3 - Waiver.

No restriction, condition, obligation or provision contained in 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 8.4 - Office.

The principal office of the Association shall be at such place as the Board of Directors may from time-to-time designate.

Section 8.5 - Reserves.

As a part of the adoption of the regular budget the Board of Directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements that it is obligated to maintain, based upon age, remaining life and quantity and replacement cost of major Ranch Common Element improvements.


ARTICLE 9 - AMENDMENTS TO BYLAWS

Section 9.1 - Vote of Board of Directors.

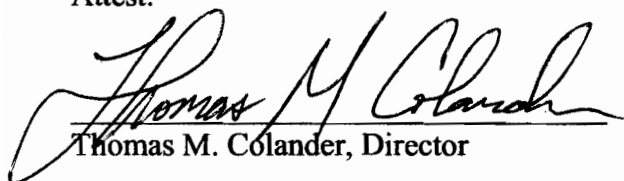
The Bylaws may be amended only by vote of the majority of the Directors of the Board present at a duly called meeting at which a quorum of Directors is present, following notice to and opportunity to comment by all Lot Owners.

ATTEST: Certified to be the Bylaws adopted by consent of the Directors of the Association unanimous written consent resolution effective December 16, 2014, and after notice and comment from the Lot Owners.

Gurley Lake Ranch Owners Association, Inc.

By: 
Martin Grambow, President

Attest:


Thomas M. Colander, Director