

**AMENDED AND RESTATED BYLAWS
OF
PILGRIM DOWNS HOMEOWNERS ASSOCIATION**

These Amended and Restated Bylaws (these “Bylaws”) of Pilgrim Downs Homeowners Association, Inc., a Colorado nonprofit corporation (the “Association”), are effective as of the date of their adoption as indicated in the Certificate of the Secretary of the Association below and do hereby amend, restate, supersede and replace in full, all previous versions of the Association’s bylaws and amendments thereto.

**ARTICLE I
OBJECT**

1.1. Purposes. The purpose for which this non-profit Association is formed is to govern the Pilgrim Downs Subdivision situate in the County of Eagle, State of Colorado, which property is described in the Declaration of Protective Covenants for Pilgrim Downs Subdivision, recorded on October 12, 1983, in Book 370, Pages 217, of the Records of the Clerk and Recorder of the County of Eagle, Colorado, as amended (the “Declaration”).

1.2. Purposes. All present or future owners, tenants, future tenants, or any other person who might use in any manner the facilities of the Pilgrim Downs Subdivision located on the property described in the Declaration (the “Property”) are subject to the provisions of these Bylaws and any rules adopted by the Board of Directors of the Association (occasionally referred to in these Bylaws and other governing documents of the Association as the “Board of Managers” or the “Board”) pursuant to these Bylaws. The mere acquisition or rental of any of the Lots or stalls in the Equestrian Association Stables or the mere act of occupancy of any of said Lots or stalls shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

1.3. Definitions. Capitalized terms used in these Bylaws without specific definition shall be attributed the meanings ascribed to them in the Declaration.

**ARTICLE II
OWNER, MEMBERSHIP, VOTING, MAJORITY
OF OWNERS, QUORUM, PROXIES**

2.1. “Owner” means any person or entity having a record interest in one or more SFRLs which are subject to the Declaration.

2.2. Membership. Except as otherwise determined by the Association, ownership of a Lot is required in order to qualify for membership in this Association. Any person, on becoming an Owner, or Owner of a partial interest of a Lot shall automatically become a member of the Association (each, a “Member”) and be subject to these Bylaws. An entity Owner of a Lot shall, in the manner set forth in Section 2.7 below, designate a natural person as an agent who may exercise, on behalf of the Owner, all membership rights of the corporation, including but not limited to qualifying for election to the Board of Directors or any office of the Association. An Owner’s membership shall terminate without any formal Association act whenever such person ceases to own a Lot; but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the

period of such ownership and membership in this Association nor impair any rights or remedies which the Association or the Lot Owners have, either through the Board of Directors of the Association or directly against such former Owner and Member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2.3. Voting, Petitioning, Amending, etc. Each Owner shall be entitled to cast one vote for each Lot owned. An Owner of an undivided partial interest in and to a Lot shall be entitled to a vote by proxy as required by Section 2.7, below. Cumulative voting is prohibited. All Class A voting rights referenced in previous versions of the Association's bylaws and amendments thereto have been extinguished prior to the adoption of these Amended and Restated Bylaws.

2.4. Majority of Lot Owners. As used in these Bylaws, the term "majority of Lot Owners" shall mean more than fifty percent (50%) of the total votes which may be cast at any meeting, and the term "majority of Lot Owners present" shall mean the Owners holding more than fifty percent (50%) of votes present in person or by proxy at any meeting. In the event non-Lot Owners are admitted to membership, their voting rights shall be as specified in the agreement admitting them to membership, but in no event shall such rights be greater than the percentage set forth in the Declaration.

2.5. Quorum and Voting.

(a) Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of Lot Owners shall constitute a quorum, and such Members in good standing present in person or by proxy shall constitute the Members entitled to vote upon any issue presented at a meeting at which a quorum is present. An affirmative vote of a majority of Lot Owners present, either in person or by proxy, shall be sufficient to make decisions binding on the Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the articles of incorporation of the Association (the "Articles"), or these Bylaws. At any meeting of the Members at which a quorum is present, a quorum shall be deemed to exist throughout such meeting until it is adjourned. Any Owner delinquent in the payment of Assessments shall be automatically suspended from voting in Association matters during the period of delinquency.

(b) In connection with any contested election for a Director or otherwise at the discretion of the Board or upon the request of twenty percent of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved, on any matter affecting the common interest community on which all Owners are entitled to vote, the applicable vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the President of the Board or another person presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to names, addresses, or other identifying information of Owners participating in such vote.

(c) A Member participating in a meeting through an electronic communication method permitted in Section 3.2 below may vote at the meeting via any electronic means approved by the Board and allowed under Colorado law, such as, but not limited to, a voice roll-call votes

or an e-ballot distributed to Members in connection with the meeting. In a vote requiring a secret ballot, the Board shall ensure that any electronic voting process and the reporting of votes complies with such Section.

(d) Action of Members by Mail Ballot. Any action that may be taken at any annual or special meeting of the Members may be taken without a meeting and through voting by mail or by electronic voting, if the following requirements are met:

(i) a written ballot is distributed to every Owner entitled to vote on the matter, setting forth each proposed action and providing an opportunity to vote for or against each proposed action;

(ii) the solicitation for votes by written ballot (a) indicates the percentage of all the voting interests needed to meet the quorum requirements for authorization or rejection of the proposed action; (b) states the percentage of votes needed to authorize or reject each matter, other than election of a Director; (c) specifies the date and time by which a ballot must be received by the Association in order to be counted; and (d) is accompanied by written information (including, if applicable, a summary of any proposed Association budget) sufficient to permit each person casting such ballot to reach an informed decision on the matter; and

(iii) the number of votes cast by written ballot within the specified time period, authorizing or rejecting the proposed action, equals or exceeds the quorum required to be present at a meeting authorizing or rejecting the action, and the number of votes in favor or against the proposed action equals or exceeds the number of votes in favor or against that would be required to authorize or reject the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

A written ballot provided pursuant to this Section 2.5(d) may not be revoked. At the discretion of the Board, an informational meeting of the Members may be called pursuant to the procedures set forth in these Bylaws to discuss any proposed action by written ballot, but no vote shall be conducted at such informational meeting.

(e) Electronic Signatures and Association Business. Signatures on any document contemplated by these Bylaws that are provided electronically shall be binding as originals and any document or writing that is provided electronically shall be considered a legal record of the document or writing so provided, as permitted under the Colorado Uniform Electronic Transactions Act, C.R.S. § 24-71.3-101 et seq., and the Colorado Corporations and Associations Act, C.R.S. § 7-90-101 et seq. By approval and adoption of these Bylaws, all Owners shall be deemed to have acquiesced to permitting Association business to be conducted electronically as provided under these Bylaws and in compliance with Colorado law.

2.6. Proxies. Votes may be cast in person or by proxy, but no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Proxies shall be filed with the Secretary of the Board at or before the appointed time of each meeting by hand or via United States Postal Service, facsimile or electronic mail. The Board shall have the power and authority to approve the form of proxy used and, at a minimum, such form shall include

the following: (i) identification of the Lot to which the proxy relates; (ii) the name of the holder of the proxy (which must be only one (1) individual); (iii) the scope of the power granted by the proxy; (iv) the duration of the power conveyed by the proxy; and (v) the signature of all Owners of record of the Lot. The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner. The Association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this Section are not liable in damages for the consequences of the acceptance or rejection. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under this Section is valid unless a court of competent jurisdiction determines otherwise.

2.7. Designation of Voting Representative—Proxy. If title to a Lot is held by more than one (1) individual, or by a corporation, partnership, association, or other legal entity, or any combination thereof, then a proxy may be executed and filed with the Association in accordance with this Section 2.7 of these Bylaws appointing and authorizing one (1) person or alternate persons to attend all annual and special meetings of the Association Members and to cast the vote allocated to that Lot. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by its terms or by operation of law. A proxy may only be revoked if the Owner gives actual notice of revocation to the person presiding over the Association meeting. With no liability in damages for the consequences of its action, the Association is entitled to reject a proxy vote if the secretary or other person authorized to tabulate votes has a good faith, reasonable basis for doubting the validity of the signature or the signatory's authority to sign for the Owner. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation is valid unless determined otherwise by a court of competent jurisdiction. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise the right to vote on any one matter. In the event that a vote is cast by a Member on behalf of such Member's Lot without objection by any other Owner of such Lot or the person presiding over the meeting, then such voting Member shall be deemed for all purposes under the Declaration and these Bylaws to be the duly and validly appointed representative for all Owners of the Lot, and the Association and the Board shall be entitled to rely on the authority of such Owner to vote with respect to the Lot, and the vote cast by such person shall be the validly cast vote of all of the Owners of such Lot and shall bind such other Owners.

ARTICLE III ADMINISTRATION

3.1. Association Responsibilities. The Owners of the Lots as Members of the Association, have the responsibility of administering the Pilgrim Downs Subdivision through a Board of Directors.

3.2. Place of Meeting. Meetings of the Association shall be held at such time and place, in or out of the State of Colorado, as the Board of Directors may determine. All of the Members may participate in an annual, regular, or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating

in the meeting may hear each other during the meeting. A Member participating in a meeting by this means is deemed to be present in person at the meeting and may participate in and vote at the meeting via electronic means as discussed in Section 2.5(c) above.

3.3. Annual Meeting. An annual meeting of the Association shall be held each year. At such meetings there shall be elected a Board of Directors in accordance with the requirements of Section 4.2 and Section 4.3 of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

3.4. Special Meetings. A special meeting of the Members shall be called by the Board of Directors upon written request signed by the Lot Owners constituting at least one-third (1/3) of the undivided ownership of the common elements and having been presented to the Secretary.

No business shall be transacted at a special meeting except as stated in the notice, unless by consent of three-fourths (3/4ths) of the Lot Owners present, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the Board of such request or petition.

3.5. Notice of Meeting. Written notice given to the Members and stating the place, day, and hour of each meeting as well as information sufficient to allow Members to join if the meeting is to be conducted through the use of any means of video or telecommunication, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered and effective not less than ten (10) nor more than fifty (50) days before the date of the meeting, by or at the direction of the President or the persons calling the meeting as provided under these Bylaws. Such notices shall be 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 Owner of each Lot entitled to be represented by a vote at such meeting. If the Association determines in its discretion that it shall maintain a website, then notice of a meeting of the Members may be posted on the website and shall also be delivered by United States mail. In addition, the notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable. In addition to written and mailed notice, if an Owner has consented in writing to receive Association notices and communication via email transmission, the Association shall provide notice of all regular meetings and special meetings of Owners by electronic mail to those Owners consenting to same.

3.6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

3.7. Order of Business. The order of business at all meetings shall be as follows unless otherwise specified in the meeting notice:

- (a) Roll call and certifying proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading and disposal of unapproved minutes.
- (d) Reports of officers.
- (e) Reports of committees
- (f) Election of Directors.

- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

3.8. Rules of Order. The rules contained in the latest published edition of Roberts Rules of Order shall govern the deliberations of this Association and of its Board of Directors in all cases in which they are applicable and not in conflict with these Bylaws.

ARTICLE IV

BOARD OF DIRECTORS

4.1. Number and Qualification. The Board of Directors shall consist initially of three (3) persons (each, a “Director”) who shall govern the affairs of this Association. The Members shall be entitled to nominate and elect all Directors. The Directors may be nonresidents of Colorado; however, all Directors must be Owners of Lots or their delegates.

4.2. Nomination and Election of Directors. Prior to each Annual Meeting, the Board of Directors shall appoint a Nominating Committee, which shall nominate one or more candidates for the Board for each vacancy which is to be filled, as set out in Section 4.4 below. The names of candidates, together with the number of vacancies to be filled, shall be made known in writing to each Member at least five (5) days prior to the Annual Meeting. Additional nominations may be made from the floor at the meeting.

No Member shall be nominated by the Nominating Committee unless such Member shall have affirmatively expressed his consent to be nominated and his intention to serve if elected. The nominees receiving the largest percentage of all votes of Members present in person or represented by proxy at the meeting of Owners present shall be declared elected.

4.3. Election and Term of Office. At the first meeting of the Association, the term of office of two Directors shall be fixed for three (3) years; the term of office of two Directors shall be fixed at two (2) years, and the term of office of two Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected. No person shall be elected to serve more than two consecutive three (3) year terms as a Director , except that any Director may serve an additional term or terms without limit upon the unanimous vote or written consent of all Directors other than the Director whose term is to be extended.

4.4. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected to complete the unexpired term at the next annual meeting of the Association.

4.5. Removal of Directors. At any annual or special meetings of the Association, the notice of which indicates such purpose, any one, or more, or all Directors may be removed with or without cause, by vote of a majority of Lot Owners present. Such Director or Directors shall be given an opportunity to speak at the meeting to contest the removal. In the event any such Director is removed nominations may be made from the floor to fill the vacancy, or vacancies,

created thereby and a successor or successors, shall then be elected by a majority of Lot Owners Present; provided, each such nominee shall have affirmatively consented to his nomination and stated his intention to serve if elected.

4.6. Organization Meeting. The first meeting of a newly elected Board of Directors following the Annual Meeting of the Association shall be held immediately or within ten (10) days thereafter at such place as shall be fixed by a majority of the Directors present at such Annual Meeting after such election and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the whole Board shall be present.

4.7. Place and Notice of Directors' Meetings. Any regular or special meetings of the Board may be held at such place within or without Eagle County, Colorado and upon such notice as the Board may prescribe. To the extent required by the Colorado Common Interest Ownership Act (the "Act"), and subject to the limitations of Section 7-128-203, C.R.S., all meetings of the Board shall be open to attendance by all Members of the Association or their representatives. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Owners or their designated representatives shall be permitted to speak regarding that issue. The Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person desires to address an issue and there are opposing views, the board shall provide for a reasonable number of persons to speak on each side of the issue. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when 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 convened. Before, at, or after any meeting of the Board any Director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the waiver of notice of such meeting.

The Board may permit any Director to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting and Directors may participate in and vote at the meeting via any electronic means approved by the Board and permitted under Colorado law. If a Board meeting is so conducted by electronic means, then notice of the meeting shall include the information necessary for Members to attend the meeting virtually, and such meeting shall allow for participation by Members as described in these Bylaws or as otherwise required by the Act.

4.8. Action of the Board Without a Meeting. Any action that may be taken at a meeting of the Directors may be taken without a meeting if notice is transmitted in writing to each Director and each Director, by the time stated in the notice either (a) votes in writing for such action; or (b) votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and fails to demand in writing that action not be taken without a meeting provided that the notice required by and procedures undertaken pursuant to this Section shall comply in all respects with applicable provisions of the Act and the Colorado Revised Nonprofit Corporations Act.

4.9. Waiver of Notice. Before, at, or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent

to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice of the meeting.

4.10. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, (except to fill a vacancy as set forth in Section 4.4), there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.11. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first-class subdivision project. The Board of Directors may do all such acts and things, except as by law or by these Bylaws or by the Declaration, may not be delegated to the Board of Directors.

4.12. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to the following, all of which shall be done for and on behalf of the Owners of Lots

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and the Bylaws of the Association.

(b) To establish, make and enforce compliance with such reasonable administrative rules and regulations as may be necessary for the operation, use and occupancy of this property with the right to amend the same from time to time.

(c) To keep in good order, condition and repair of all of the Common Area and Limited Common Area and all items of common personal property used by the Owners in the enjoyment of the entire premises. No approval of the Association Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To insure and keep insured all of the insurable Common Area and Limited Common Area in an amount equal to their maximum replacement value as provided in the Declaration. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the Association, the Owners of Lots and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in such amounts as may be determined by action of the Board from time to time.

(e) To levy and collect assessments to be paid by each Lot Owner to meet the requirements of the Association; and, in the event of surplus funds remaining after payment of or provision for common expenses and any prepayment of or provision for reserves, to apply the surplus funds, in the discretion of the Board, (a) into reserves, (b) toward the following year's common expenses, (c) toward a credit to Owners against future assessments or in the form of a distribution, or (d) any combination of the foregoing.

(f) To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies, subject to any limitations imposed by the Declaration and the Act, and further subject to the requirement that all special assessments shall be based on a budget adopted in accordance with the terms of the Declaration prior to levying a special Assessment.

(g) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; to enforce a late charge and interest as provided in the Association's Policy for Collection of Unpaid Assessments.

(h) To protect and defend the Association or the premises from loss and damage by suit or otherwise.

(i) Subject to restrictions as may be set forth in the Declaration and the Act, to borrow funds in order to pay for any expenditure or outlay required for the Pilgrim Downs Subdivision or portion of the Pilgrim Downs Subdivision pursuant to the authority granted by the provisions of the Declaration and these Bylaws, to assign the Association's right to future income, including Assessments, as security for such borrowing, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness and security as the Association may deem necessary.

(j) To enter into contracts within the scope of their duties and powers.

(k) To establish one or more bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors and to invest such funds pursuant to the Colorado Nonprofit Corporation Act and applicable policies of the Association.

(l) To make repairs, additions, alterations and improvements to the Common Areas.

(m) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Owners in accordance with applicable policies of the Association, and to cause a complete audit of the books and accounts of the Association by a certified public accountant, once each year.

(n) To prepare and deliver annually to each Owner a statement showing receipts, expenses or disbursements since the last such statement.

(o) To designate and remove the personnel necessary for the maintenance and operation of the Common Areas and Limited Common Areas to establish or approve the terms and conditions of their employment.

(p) In general, to perform all other acts authorized or contemplated under the Declaration or otherwise permitted under the Act, to carry on the administration of the Association and to do all of those things necessary and reasonable in order to carry out the governance and the operation of the Association, all in accordance with the Declaration.

(q) To employ for the Association a managing agent (hereinafter, the “Managing Agent”) who shall have and exercise such powers as may be granted to such Managing Agent from time to time in writing, by the Board of Directors, which may include all of the powers granted to the Board or its officers by the Declaration and these Bylaws, and to assess to the Members a reasonable fee for such services.

(r) To provide or cause to be provided education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association and the Board under Colorado law.

4.13. No Waiver of Rights. The omission or failure of the Association or any Lot Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, or other provisions of the Declaration and the Bylaws shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors, or the Managing Agent as authorized by the Board, shall have the right to enforce the same thereafter.

4.14. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds or any one or more of them shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

4.15. Compensation. No Director shall receive any compensation for acting as such.

4.16. Voting. A tie vote on any issue brought before the Board of Directors shall be deemed a defeat of the measure so voted upon.

ARTICLE V

FISCAL MANAGEMENT

5.1. The provision for fiscal management of the Lots for and on behalf of all of the Lot Owners as set forth in the Declaration shall be supplemented by the following provisions:

5.2. Accounts. The funds and expenditures of the Lot Owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair, or replacement required because of damage, wear or obsolescence.

5.3. Each of the fiscal year budgets and assessments may be revised from time to time, by a majority of the Board, to meet changed or unanticipated operating or maintenance expense, or because of emergencies that require such action. Each yearly budget shall:

(1) State the amount of expenses anticipated for operation and maintenance of the Lots and Common Areas,

(2) Itemize anticipated major or non-routine maintenance items, and

(3) Include sources of income and amounts anticipated from each source. Anticipated capital expenditures in excess of \$10,000.00 shall be identified in the yearly budgets. Each Owner shall be furnished with a copy of the approved yearly budget and any revision thereto as more particularly set forth in these Bylaws below. Special assessments may be made by the Board for extraordinary unanticipated items of expense for the purpose of defraying, in whole or in part, the unbudgeted costs, fees, and expenses of any construction, reconstruction, repair, demolishing, replacement, renovation or maintenance of the Common Area, any facilities located on the Common Area, or any other improvements maintained and operated by the Association, specifically including any related fixtures and personal property.

5.4. Annual Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all Owners of Lots and shall set a date for a meeting to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting Owners holding a majority of all votes entitled to be cast on Association matters veto the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified in accordance with this Section must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. The Board of Directors shall adopt a budget and submit the budget to a vote as provided herein no less frequently than annually. The Board of Directors shall levy and assess the Association's annual assessments in accordance with the annual budget.

ARTICLE VI **OFFICERS**

6.1. Designation. The officers of the Association shall include a President, a Secretary and a Treasurer, and may include a Vice President, all of whom shall be elected by and from the Board of Directors, and such other officers as the Board of Directors shall from time to time elect. The same individual may simultaneously hold more than one office.

6.2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3. Removal of Officers. Upon an affirmative vote of a majority of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

6.4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of

the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

6.5. Vice President. The Vice President, if any, shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or in the event of the President's inability for any reason to exercise such powers and functions or perform such duties.

6.6. Secretary. The Secretary shall keep all of the minutes of the meetings of the Board of Directors and the minutes of all of the meetings of the Association: he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all of the duties normally incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as show on the records of the Association. Such list shall also show opposite each Member's name the voting representative, the number or appropriate designation of the Lot owned by such Member or in which he holds a partial interest, the undivided interest in the Common Areas and a description of the Limited Common Areas assigned for exclusive use in connection with such Lot. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Any and all of the responsibilities of the Secretary, including, without limitation, the recording and publishing of the minutes, may be assigned by the Board of Directors to the Managing Agent, or if the Managing Agent is a corporation, to its designated representative, provided that the Secretary reports to the Board of Directors at regularly stipulated intervals that the delegated responsibilities are being executed to his satisfaction.

6.7. Treasurer. The Treasurer shall be responsible for:

(a) The custodianship of all funds belonging to the Association, such custodianship requiring an annual accounting to the Association, in addition to such other accountings as may be requested by the Board of Directors.

(b) The keeping of full and accurate accounts of all receipts and disbursements in books belonging to the Association, and the deposit of all receipts to the credit of the Association in depositories approved by the Board of Directors.

(c) The payment of all indebtedness authorized by the Board of Directors.

(d) The submission to the Board of Directors as soon as practicable after the first day of each calendar quarter or as otherwise determined by the Board, of an operating statement showing variances from budget together with a balance sheet as of the date of the report.

Any or all of the responsibilities of the Treasurer may be assigned by the Board of Directors in writing to the Managing Agent, or if the Managing Agent is a corporation, to its designated representative, provided that the Treasurer reports to the Board of Directors at regular stipulated intervals that the delegated responsibilities are being executed to his satisfaction.

The Treasurer shall act as Chairman of a Budget Committee, which will recommend to the Board such actions as will enable the Board to comply with Section 4.12(e) and Section 5.2 above.

6.8. The respective officers shall have, in addition to the foregoing, the powers and duties and obligations specifically designated in these Bylaws and the Declaration.

6.9. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyances or encumbrances, including promissory notes, shall be the President or Vice President and the Secretary of the Association or, in proper cases as determined by the Board from time to time, a Managing Agent or the Association's legal counsel.

ARTICLE VII
INDEMNIFICATION OF OFFICERS, DIRECTORS
AND MANAGING AGENT

7.1. Indemnification. The Association shall indemnify every Director, officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceedings to which he may be made a party by reason of his being or having been a Director, officer or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing herein shall relieve a Director, Officer, or Managing Agent, who is an Owner from paying his pro rata assessment in relation to an indemnification required by this Section.

7.2. Other. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent, shall be made as agent for the Lot Owners, as they shall have no personal responsibility on any such contact or commitment (except as Lot Owners), and the liability of any Lot Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as common interest of each Lot Owner bears to the aggregate common interest of all of the Lot Owners.

ARTICLE VIII
AMENDMENTS TO BYLAWS

These Bylaws may be amended by the Association at any annual or special meeting of the Association, provided notice of such meeting shall include a copy of such proposed amendment or amendments and provided no amendment shall take effect unless approved by the Owners of at least sixty percent (60%) of the Lots.

ARTICLE IX
EVIDENCE OF OWNERSHIP, REGISTRATION OF
MAILING ADDRESS AND DESIGNATION OF
VOTING REPRESENTATIVE

9.1. Proof of Ownership. Any person on becoming an Owner of a Lot shall furnish to the Managing Agent or Board of Directors a machine or certified copy of the recorded instrument vesting that person with an interest or ownership in the Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing, nor shall he be entitled to vote at any annual or special meeting of Members unless this requirements is first met.

9.2. Registration of Mailing Address. The Owners or several Owners of a Lot shall have one and the same registered mailing address to be used by the Association for mailing of periodic statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Lot Owner or Owners shall be furnished by such owners to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent to interest of (all of) the Owners thereof.

9.3. Designation of Voting and Petitioning Representative – Proxy. If title to a Lot is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by its terms or by operation of law. A proxy may only be revoked if the Lot Owner(s) gives actual notice of revocation to the person presiding over the Association meeting. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise the right to vote on any matter. In the event that a vote is cast by a Member on behalf of such Member's Lot without objection at the meeting at which such vote is cast by any other Owner of such Lot or the person presiding over the meeting, then such voting Member shall be deemed for all purposes under the Declaration and these Bylaws to be the duly and validly appointed representative for all Owners of the Lot, the Association and the Board of Directors shall be entitled to rely on the authority of such Owner to vote with respect to the Lot, and the vote cast by such person shall be the validly cast vote of all of the Owners of such Lot and shall bind such other Owners.

ARTICLE X
OBLIGATIONS OF THE OWNERS

10.1. Assessments. As provided in the Declaration, all Members shall be obligated to pay the periodic assessments imposed by the Association to meet the common expenses. Common expenses shall include, but not be limited to insurance, Managing Agent's fees, employees' salaries and tax payments, accounting and attorney fees, expense of care and maintenance of the common elements, and all other items reasonably necessary for administration of the Association and the property. The assessments shall be levied and payable as set forth in the Declaration and applicable

policies of the Association. A Member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of the Members, within the meaning of these Bylaws, if, and only if he shall have fully paid all assessments made or levied against him and the Lot owned by him, through the month preceding the meeting.

(a) Method of Payment of Assessments. To the extent permitted by law, all Owners shall be required to pay all annual, special and all other assessments levied by the Association pursuant to the Association's governing documents by electronic funds transfer (EFT) or as otherwise determined by the Board and set forth in the Association's Policy for Collection of Unpaid Assessments.

10.2. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense, all maintenance and repair work within his own Lot, including repairs to water wells, pumps and lines which, if omitted would affect the Pilgrim Downs Subdivision in its entirety or in party belonging to the Association or to other Owners.

(b) A Member shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any common areas or property damaged by his negligence or by the negligence of his tenants or agents or guests.

10.3. Mechanics Lien. Each Owner agrees to indemnify and hold the Association and each of the other Owners harmless from any and all claims of mechanics lien filed against other Lots and/or the common areas for labor, materials, services or other products incorporated in the Owner's Lot. In the event a lien against the common area is filed and/or a suit for foreclosure of mechanics lien is commenced on account of an individual Owner, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half the amount of such lien or claim, plus interest for one year, together with the sum of Five Hundred Dollars (\$500.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorneys' fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgement or settlement. Any deficiency shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall constitute a default assessment against the Owner and a lien against his Lot, and may be foreclosed as provided by Law. All costs and expenses incurred by the Association shall be forthwith reimbursed to it by such Owner(s).

10.4. General.

(a) Each Owner shall comply strictly with the provisions of the recorded Declaration and these Bylaws.

(b) Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Pilgrim Downs Subdivision was built.

10.5. Use of Lots.

(a) All Lots shall be utilized for residential purposes only except as is otherwise provided in the Declaration.

10.6. Use of Common Area. Each Owner may use the Common Areas in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Members of the Association.

10.7. Right of Entry.

(a) An Owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board of Directors in case of an emergency originating in or threatening his Lot or structures thereon, whether the Owner is present at the time or not.

ARTICLE XI

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY LOT OWNERS

11.1. Abatement and Enjoyment. Subject to the Association's enforcement policy, the violation of any rule or regulation adopted by the Board of Directors, or the breach of any provision of these Bylaws, or the breach of any provision of the Declaration or other governing document of the Association, shall give the Board of Directors the right, in addition to any other rights:

(a) To enter upon the Lot or structures thereon in which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of defaulting Lot Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors shall not be deemed guilty in any manner of trespass;

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; and

(c) To take any and all further actions as provided for in the Association's enforcement policy.

ARTICLE XII
COMMITTEES

12.1. Designation. The Board may appoint such committees as it deems appropriate in carrying out its purposes which, to the extent provided for in the resolution establishing and appointing the committee and to the extent allowed by law, shall have the powers of the Board attributed to such committee. The Board may appoint an executive committee and/or an Equestrian Committee (as discussed below), and shall appoint a budget committee, and it may designate and appoint members to standing and ad hoc committees.

12.2. Vacancies. A vacancy in any committee shall be filled by appointment by the President until the next meeting of the Board of Directors.

ARTICLE XIII
NONPROFIT CORPORATION

The Association is not organized for profit. No Member, Director, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, officer or Member. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member or Director acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (2) any Member or Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and (3) the distribution of any proceeds of insurance or from condemnation or the sale of the Pilgrim Downs Subdivision as described in the Declaration.

ARTICLE XIV
FISCAL YEAR; ASSOCIATION MINUTES

14.1. The fiscal year of the Association shall begin on August 1 unless a different date shall be determined by action of the Board.

14.2. Minutes or any similar records of the meetings of the 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.

ARTICLE XV
EQUESTRIAN COMMITTEE

15.1. Equestrian Committee. The Association may establish one or more Equestrian Committees to oversee and manage all day-to-day operations and activities at the Equestrian Center, for the collective benefit of Owners in Pilgrim Downs desiring to participate in such activities (as more fully set forth in Section 6.D of the Declaration), and to implement such policies, procedures, rules and regulations governing such equestrian activities as may be proposed by the Equestrian Committee and approved by the Board of Directors of the Association in accordance with the Declaration, as amended.

15.2. Any Equestrian Committee shall consist of up to three (3) members, who shall be appointed by the Board of Directors at the annual meeting of the Association and serve one-year terms. Each member of the Equestrian Committee shall be an Owner who is an Equestrian Center member and who agrees to serve on the Equestrian Committee. In the event that no Owners meet the qualifications for service on the Equestrian Committee, or in the event that there are no members of the Equestrian Committee at any time for any reason, the Board of Directors may serve as the Equestrian Committee.

Any Equestrian Committee shall submit an Equestrian Budget to the Board of Directors for approval and ratification by the Owners as provided in Section 6.D of the Declaration.

ARTICLE XVI
INSURANCE AND FIDELITY BONDS

16.1. General Insurance Provisions. The Association shall maintain, to the extent reasonably available:

(a) Property insurance on the Common Area for broad form covered causes of loss; except that the total amount of insurance must be not less than the full insurable replacement costs of the insured property less reasonable deductibles at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, paving areas, landscaping and other items normally excluded from property policies; and

(b) Commercial general liability insurance against claims and liabilities arising in connection with performance of any activity, function or service required or permitted under the Declaration to be undertaken or performed by the Association, and the ownership, existence, use or management of the Common Area and the Association insuring the Board, the Association, the Managing Agent and their respective employees, agents and all persons acting as agents. Limits of liability will be determined by the Board and will be at least \$5,000,000 for any injuries or death sustained by any person in any single occurrence. Such policy will include coverage for contractual liability, liability for non-owned and hired automobiles, and such other risks as are customarily covered with respect to developments similar to Pilgrim Downs in construction, location and use. The Owners shall be included as additional insureds but only for claims and liabilities arising in connection with the ownership, existence, use or management of the Common Area. The insurance shall cover claims of one or more insured parties against other insured parties.

(c) The Association may carry such other and further insurance that the Board considers appropriate, including insurance on Lots, insurance covering the acts or omissions of officers, Directors, employees or agents of the Association, or other insurance that the Association is not obligated to insure to protect the Association or the Owners.

16.2. Cancellation. If the insurance described in Section 16.1 above is not reasonably available, or if any policy of such insurance is cancelled or not renewed without a replacement policy therefore having been obtained, the Association promptly shall cause notice of that fact to be hand delivered or sent prepaid by United States mail to all Owners.

16.3. Policy Provisions. Insurance policies carried pursuant to Section 16.1 above must provide that:

(a) Each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area or membership in the Association;

(b) The insurer waives its rights to subrogation under the policy against any Owner or member of their household;

(c) No act or omission by any Owner, unless acting within the scope of such Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name

of an Owner covering the same risk covered by the policy, the Association's policy provides primary insurance.

16.4. Insurance Proceeds. Any loss covered by the property insurance policy described in Section 16.1 above must be adjusted with the Association, but the insurance proceeds for that loss shall be payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any holder of a security interest. The insurance trustee or the Association shall hold any insurance proceeds in trust for the Owners and first mortgagees as their interests may appear. Subject to the Declaration, the proceeds must be disbursed first for the repair or restoration of the damaged property, and the Association, Owners and first mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the damaged property has been completely repaired or restored or the regime created by this Declaration is terminated.

16.5. Association Policies. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submittal of claims, responsibility for deductibles, and any other matters of claims adjustment. To the extent the Association settles claims for damages to the Property, it shall have the authority to assess negligent Owners causing such loss or benefiting from such repair or restoration all or any equitable portion of the deductibles paid by the Association.

16.6. Insurer Obligation. To the extent the following is available, an insurer that has issued an insurance policy for the insurance described in Section 16.1 above shall issue insurance policies to the Association and, upon request from any Owner, the Association's insurance agent shall issue certificates of insurance to said Owner. To the extent reasonably available, unless otherwise provided by statute, the insurer issuing the policy may not cancel or refuse to renew it until sixty (60) days after notice of the proposed cancellation or nonrenewal has been mailed to the Association and to each Owner to whom a certificate or memorandum of insurance has been issued at their respective last-known addresses. The notice requirement above may not apply should the insurance be placed with non-admitted insurance companies, which are not subject to the same regulatory notice requirements as admitted insurance companies.

16.7. Repair and Replacement. Subject to the Declaration with respect to insufficient insurance proceeds, any portion of the Common Area for which insurance is required under this Article XVI which is damaged or destroyed must be repaired or replaced by the Association in a diligent manner and timeframe as reasonably determined by the Executive Board unless:

- (a) The regime created by the Declaration is terminated;
- (b) Repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;
- (c) Owners representing ninety percent (90%) of all votes in the Association vote not to rebuild; or
- (d) Prior to the conveyance of any Lot, the party holding a deed of trust or mortgage on the damaged portion of the Common Area rightfully demands all or a substantial part of the insurance proceeds.

The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense. If the entire Common Area is not repaired or replaced, the insurance proceeds attributable to the damaged Common Area must be used to restore the damaged area to a condition compatible with the remainder of Pilgrim Downs, and except to the extent that other Persons will be distributees, the insurance proceeds must be distributed to all the Owners, as their interests may appear in proportion to the common expense liabilities of all the Lots.

16.8. Fidelity Insurance. Fidelity insurance must be maintained by the Association to protect against dishonest acts on the part of its officers, Directors, trustees, and employees and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than two (2) months' current Assessments plus reserves as calculated from the current budget of the Association. In addition, if responsibility for handling funds is delegated to a Managing Agent, such insurance may be obtained for the Managing Agent and its officers, employees and agents, as applicable. Any such fidelity coverage shall name the Association as an obligee and such fidelity bonds shall contain waivers by the issuers of all defenses based upon the exclusion of Persons serving without compensation from the definition of "employees," or similar terms or expressions. This Section complies with Section 38-33.3-313 of the Act.

16.9. Worker's Compensation Insurance. The Association shall obtain worker's compensation insurance compliant with state requirements, if applicable, in the amounts and forms as may now or hereafter be required by law.

16.10. Other Insurance. The Association shall also maintain insurance to the extent reasonably available and in such amounts as the Board may deem appropriate on behalf of Directors against any liability asserted against the Board, an individual Director or a member of any committee or incurred by them in their capacity of or arising out of their status as a Director or committee member, as applicable. The Board may obtain insurance against such other risks, of a similar or dissimilar nature as it shall deem appropriate with respect to the Association's responsibilities and duties.

16.11. Insurance Obtained by Owners. Each Owner shall obtain and at all times maintain physical damage and liability insurance for such Owner's benefit, at such Owner's expense, covering the full replacement value of the improvements upon the Owner's Lot, personal property as well as personal liability insurance in a limit of not less than One Million Dollars (\$1,000,000) per occurrence with respect to bodily injury, death or personal injury (including libel and slander) to any number of persons, or for damage to third party property, and if higher limits shall at any time be customary to protect against tort liability, such higher limits shall be carried. Personal liability insurance of One Million Dollars (\$1,000,000) may be achieved as a stand-alone Homeowners Insurance Policy, or combination of a Homeowners Insurance Policy and Personal Umbrella Liability Policy. In addition, an Owner may obtain such other and additional insurance coverage on the Lot and related improvements as such Owner in their sole discretion shall conclude to be desirable; provided, however, that none of such insurance coverage obtained by the Owner shall operate to decrease the amount which the Board, on behalf of all Owners, may realize under any policy maintained by the Executive Board or otherwise affect any insurance coverage obtained by the Association or cause the diminution or termination of that insurance coverage. Any insurance obtained by an Owner shall include a provision waiving the particular insurance company's right of subrogation against the Association and other Owners. No

Owner shall obtain separate insurance policies on the Common Area. Upon request of the Association, any Owner shall submit and maintain on file with the Association copies of all such current policies to evidence their obligations hereunder and to facilitate recovery of all appropriate awards or proceeds by the Association.

ARTICLE XVII
MISCELLANEOUS

17.1. The provisions of the Declaration and the Articles are incorporated herein by reference to the extent required to comply with Colorado law relating to the contents of Association Bylaws including, but not limited to, all provisions regarding the sale or lease of Lots and rights of first refusal.

17.2. Upon assuming ownership of a Lot, an Owner, except as specifically otherwise provided in the Declaration, Articles, or these Bylaws, assumes the obligation for any existing or future taxes, assessments or other Association charges or liens, mechanics liens or other encumbrances attributable to the Lot so acquired. Pursuant to the powers granted the Board of Directors and the Association to make assessments, borrow money and act on behalf of the Owners, a Lot may be subject to its pro rata share of assessments, liens or additional encumbrances.

17.3. There are no major recreational amenities available as Common Areas, except as specified in the Declaration. In the event such facilities or other additions to the common elements are constructed, each SFRL will bear its pro rata share of the cost and will receive its pro rata interest in said facilities or addition. Any charges for use of recreational facilities by Owners, their tenants or guest shall be fixed by the Board of Directors and charged either on a use basis or as an assessment.

17.4. The percentage interest of any Owner in the Common Areas and Limited Common Areas shall not be affected by additions to the Common Areas and Limited Common Areas except by amendment to the Declaration as provided therein.

[End of Bylaws; President's certification follows]

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of Pilgrim Downs Homeowners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Amended and Restated Bylaws were duly adopted at a meeting of the Association held on August 16, 2023, at which a quorum was present, by approval of the Owners of at least sixty percent (60%) of the Lots.

to be effective on the 20th day of AUGUST, 2023.



ADAM QUINTON . President