

**BYLAWS
OF
LEGACY PUD HOMEOWNER'S ASSOCIATION**

NAME AND LOCATION

The name of the corporation is Legacy PUD Homeowner's Association (the "Association"). The principal office of the corporation shall be located at 145 W. 4th St., Delta, CO 81416, or such other place as may be designated by the Association, but meetings of Members and the Board of Directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE I.
DEFINITIONS

The definitions set forth in the Amended Declaration of Covenants Conditions and Restrictions for Legacy PUD Subdivision (the "Amended Declaration") recorded in the records of the Mesa County Clerk and Recorder and all amendments thereto shall apply to these Bylaws.

ARTICLE II.
MEETING OF MEMBERS

Section 1. Annual Meeting. Meetings of the Members shall be held no less frequently than annually. The annual meeting of the Members shall be held in or about April of each year at a time and place to be designated by the Board.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board, or upon written request of the Members having at least twenty percent (20%) of all of the votes in the Association.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or any other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before, but not greater than fifty (50) days before, such meeting to each Member entitled to vote thereat, addressed to the Member's address registered with the Association pursuant to the Declaration. The notice shall specify the place, day and hour of the meeting, and items in the agenda.

Any notice given pursuant to this Article II shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address registered with the Association, with postage prepaid.

Written waiver of notice signed by the Member entitled to the notice, whether before or after the time stated therein, shall be equivalent to the giving of the notice. Attendance of a

Member at any meeting shall constitute a waiver of notice of the meeting except when a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Amended Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Record Date. For the purpose of determining the Members entitled to notice of a meeting, or to vote, in person or by proxy, at any meeting, the Board may set a record date for such determination, in accordance with Colorado law.

Section 6. Manner of Action. In any matter put before the Members at a meeting, provided a quorum is present, a vote of a majority of the Members present, in person or by proxy, is sufficient to constitute the action of the Members or for passage or approval, unless the vote of a greater number is required by these Bylaws, the Articles of Incorporation, the Amended Declaration, or by law. Cumulative voting shall not be permitted.

Section 7. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Condominium Unit. A proxy terminates eleven months after its date, unless it provides otherwise.

Section 8. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Members representing one hundred percent (100%) of the vote with respect to the subject matter thereof. The Members may also act without a meeting by any other means permitted by the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, *et seq.*, ("CRNCA") as the same may be amended from time to time, including, without limitation by mail-in ballot.

ARTICLE III. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number and Qualifications. The affairs of the Association shall be managed by a Board of Directors comprised of three (3) persons. Directors may, but need not be Members of the Association, provided that if a Director is a Member he or she shall be a

Member in good standing and entitled to vote in the affairs of the Association and shall cease to be a Director automatically upon their failure to so qualify for any reason.

Section 2. Term of Office. Directors shall be elected at the annual meeting of the Members. At the initial election, one Director shall be elected for a term of one (1) year, one Director for a term of two (2) years, and one Director for a term of three (3) years. Thereafter, the Members shall elect nominees for three (3) year terms, it being the intention that only one vacancy arise on the Board each year.

Section 3. Removal and Vacancies. Directors may be removed from the Board, with or without cause, by a seventy percent (70%) vote of the Members present at a meeting in person or by proxy at which a quorum is present. A Director may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. In the event of death, resignation, failure of qualification or removal of a Director, his or her successor shall be selected by the remaining Directors and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties.

ARTICLE IV. MEETINGS OF THE BOARD

Section 1. Regular Meetings. Regular meetings of the Board shall be held not less frequently than annually, without notice, following the annual meeting of Members, at the place of the annual meeting of Members.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any three (3) Directors, after not less than three (3) days' notice to each Director.

A written waiver of notice signed by a Director, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director at any meeting shall constitute a waiver of notice of the 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.

Section 3. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Attendance. All regular and special meetings of the Board shall be open to attendance by any Member or their representative, and the agenda of all such meetings shall be made reasonably available to all Members, except that the Board may restrict attendance to discuss matters set forth in C.R.S. § 38-33.3-308(4)(a) through (e).

Section 5. Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE V. POWERS AND DUTIES OF THE BOARD

Section 1. Powers. The Board shall have all powers, privileges and duties, and perform all of the obligations, as are described in the Amended Declaration, and as set forth in the Colorado Common Interest Ownership Act, C.R.S. § 38-33.3-101, *et seq.*, ("CCIOA"). The Association does not by this reference subject itself to the provisions of CCIOA.

Section 2. Duties. The Board shall perform all duties as shall be described in the Amended Declaration, and undertake all reasonable and necessary action to perform such duties.

Section 3. Management of Funds. If the Association delegates powers of the Board or officers relating to collection, deposit, transfer or disbursement of Association funds to other persons or to a managing agent, then the following requirements shall apply:

a. That the other person or managing agent maintain fidelity insurance coverage or a bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount as the Board may require;

b. That the other person or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

c. That an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant or a certified public accountant.

ARTICLE VI. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary, and treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The Directors shall vote in the election of the officers at the annual meeting of the Board.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 7. Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article. The office of vice-president is optional and may remain vacant indefinitely at the discretion of the Board.

Section 8. Duties. The duties of the officers are as follows:

a. President. The president shall see that the orders and resolutions of the Board are carried out; shall sign all legal and other written instruments and shall co-sign all checks and promissory notes. The president shall also execute, certify and record amendments to the Declaration on behalf of the Association.

b. Vice-president. The vice-president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c. Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and in general, shall perform all duties incident to the office of secretary.

d. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association, provided the Board may authorize a manager to sign checks up to \$500.00; keep the financial books and records of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VII. COMMITTEES

The Board may appoint such committees as it deems necessary or appropriate in carrying out its powers and duties under the Declaration, provided that, when so delegated, the Board shall not be relieved of its responsibilities pursuant to the Declaration.

ARTICLE VIII. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member subject to the provisions of CCIOA and the CRNCA. The Declaration, the Articles of Incorporation, Bylaws, and Policies, Procedures, Rules and Regulations, along with a complete set of Association records shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE IX. AMENDMENTS

Section 1. Except as prohibited by Colorado law, these Bylaws may be amended, in whole or in part, by action of the Board. In all circumstances, these Bylaws may be amended by a twenty percent (20%) vote of the Members present at a regular or special meeting of Members at which a quorum of Members is present in person or proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Amended Declaration and these Bylaws, the Amended Declaration shall control.

Section 3. Notwithstanding anything contained herein to the contrary, these bylaws shall not be amended to bring any provision herein into conflict with any provision of the Amended Declaration. These bylaws, as amended from time to time, shall remain subject to the Amended Declaration, and this section 3 of Article IX shall not be amended or deleted except by a vote of 100 percent of the votes of the members and 100 percent of the Security Interest Holders having priority under Colorado law over all other Security Interest Holders.

ARTICLE X.
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Pursuant to C.R.S. §§ 7-123-102(1) and 7-129-101, *et seq.*, the corporation shall indemnify its Officers, Directors, employees and agents who are threatened to be made, or are made, a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative arising out of such person serving at the request of the corporation as Director, officer, employee or agent to the fullest extent and subject to the qualifications and requirements of article 129 of title 7, C.R.S., including the advance of expenses.

Section 2. Any indemnification permitted hereunder, including the advance of expenses, shall be made upon the determination that the Director, Officer, employee or agent has met the applicable standard of conduct set forth in C.R.S. § 7-129-102. The determination shall be made, including the advance of expenses, in accordance with C.R.S. § 7-129-106 before any indemnification is permitted or advance of expenses paid to the Director. Notice of the indemnification and advance of expenses shall be provided to the Members pursuant to C.R.S. § 7-129-110.

Section 3. The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Association or who is or was serving at the request of the Association as a Director, officer, employee or agent of another Association, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity arising out of the status of such, whether or not the Association would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XI.
MISCELLANEOUS

Section 1. Contracts. The Board may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation, Amended Declaration or by these Bylaws.


Section 2. Fiscal Year. The fiscal year of the Association shall be the calendar year, or such other time frame as the Board may determine from time to time.

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CERTIFICATE AND SIGNATURE FOLLOWS.

CERTIFICATE

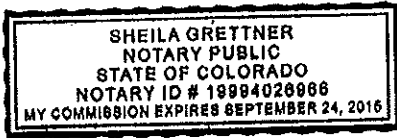
I certify that the foregoing Bylaws of Legacy PUD Homeowner's Association are the Bylaws that were adopted by the affirmative vote of a majority of the Members present, in person or by proxy, at a meeting duly called and properly noticed held the 26th day of September, 2013, there being a quorum of Members present at that meeting.

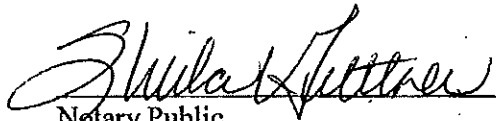

Secretary

STATE OF COLORADO)
) ss.
COUNTY OF Delta)

The foregoing instrument was acknowledged before me this 17th day of October, 2013, by Brian Mason, Secretary of the Legacy PUD Homeowner's Association, a Colorado non-profit corporation.

My commission expires: 9-24-15
Witness my hand and official seal.




Notary Public