

**BYLAWS
OF
PAGOSA HOTEL MALL OWNER'S ASSOCIATION, INC.**

ARTICLE I - DEFINITIONS

Section 1. "Association" shall mean and refer to Pagosa Hotel Mall Owner's Association, Inc., a non-profit corporation existing under the laws of the State of Colorado.

Section 2. "Declaration" shall mean the Declaration Of Covenants And Restrictions For The Pagosa Hotel Mall recorded with the Archuleta County Clerk and Recorder's Office on December 1, 2014, at Reception No. 21407223, together with amendments thereto.

Section 3. The "Property" shall mean and refer to the real property subject to the Declaration.

Section 4. "Board of Directors" shall refer to that term as used in the Articles of Incorporation and the Colorado Corporation Code.

Section 5. "Director" shall mean a member of the Board of Directors.

Section 6. "Unit" shall mean a commercial condominium unit within the Pagosa Hotel Mall as described in the above-referenced Declaration.

ARTICLE II - MEMBERSHIP

Section 1. RIGHTS OF MEMBERSHIP. The rights of membership are subject to the payment of regular and special assessments levied by the Association, and the obligation of payment of such assessments is imposed against each owner of a Unit and becomes a lien upon the Unit against which such assessments are made as provided by the Declaration.

Section 2. SUSPENSION OF RIGHTS. The membership rights of any person, firm, association, corporation or other legal entity whose interest in the Property is subject to assessment under the Declaration, whether or not there is any personal obligation to pay such assessments, may be suspended by action of the Board of Directors for any period during which such assessments remain unpaid; but, upon payment of such assessments and any interest accrued thereon at the rate of eighteen percent (18%) per annum, together with any costs of collection, including reasonable attorneys fees, the membership rights and privileges shall be immediately and automatically restored.

Section 3. MEMBERS. The members of the Association shall be the owners of the Units in the Property. Membership in the Association shall be reflected only by record ownership of one or more Units. No separate certificate of membership or shares of stock shall be issued. Where the context so requires, each member shall be deemed to be the owner of a Unit for purposes of the Declaration.

Section 4. BYLAWS. The Bylaws may be amended, revised or repealed only by action of the membership.

ARTICLE III - MEETINGS OF MEMBERSHIP

Section 1. ANNUAL MEETING. The annual meeting of members shall be held each year on the first Saturday of February at 10:00 a.m. If the day so designated falls upon a legal holiday, then the meeting shall be held on the first Saturday thereafter.

Section 2. SPECIAL MEETINGS. Special meetings of members may be called at any time by the president or majority vote of the Board of Directors. Such meetings may be held at such times or places as may be determined by the Board of Directors or president. The Board of Directors shall call a special meeting of members whenever requested to do so in writing by member or members owning not less than fifty percent (50%) of the Units.

Section 3. NOTICE OF MEETINGS. Notice of the annual meeting shall be given at least thirty (30) days before the meeting. Notice of special meetings shall be given personally or by mail not less than fifteen (15) days before the date set for such meeting. Notices of special meetings shall state the purpose or purposes for which such meeting is called. Notices, if mailed, shall be directed to the member's address last appearing on the books of the Association or supplied to the Association for the purpose of notice or, if there be none, to the member's address as reflected in the records of Archuleta County for assessment purposes. At any meeting at which all members shall be present, the giving of such notice shall not be required. Notice shall not be required as to any member not present who has waived notice in writing. The notice of meeting shall state the time and place of the meeting and items on the agenda and must set forth the general nature of any proposed action. No action may be taken to amend the Bylaws, adopt or amend a budget, or remove an officer or Director unless a general description of such action is included in the notice of meeting.

Section 4. QUORUM. A quorum is deemed present throughout any meeting of the Association if fifty percent (50%) of the members entitled to cast votes are present, either in person or by proxy, at the beginning of the meeting.

Section 5. VOTING. At all meetings of the members all questions, the manner of deciding which is not specifically regulated by statute or the Declaration, shall be determined by a majority of the votes cast on each question. Members shall have only one vote per Unit owned, and if there are two or more record owners of a Unit, they must designate the person who will cast such vote in writing not less than ten (10) days prior to the meeting. No member(s) determined by the Board of Directors to be delinquent in any regular or special assessment shall be entitled to vote in any annual or special meeting.

Section 6. AGENDA FOR ANNUAL MEETINGS. At the annual meeting, the members shall elect Directors. Such other business may be conducted as is brought before the meeting, except that amendments to the Bylaws require notice as specified above.

Section 7. CONDUCT OF MEETINGS. At the discretion of the president, the president may declare (before the start of any meeting or at any time during the meeting as to matters arising thereafter) that the meeting shall be conducted in accordance with Roberts Rules of Order, Revised, and may prescribe the maximum time which each member may be allowed to speak to any issue.

ARTICLE IV - DIRECTORS

Section 1. ELECTION. The affairs and business of the Association shall be managed by a Board of Directors. Directors shall be elected by majority of votes cast.

Section 2. TERM OF OFFICE. Except for the initial Directors, Directors shall serve two-year terms.

Section 3. NOMINATIONS AND QUALIFICATIONS OF DIRECTORS. Nominations for Director shall be made from the floor. All Directors shall be a natural person and shall be an owner or co-owner of a Unit. Only one person representing any Unit shall be elected to the Board at any one time. No person shall be elected to or serve on the Board of Directors if the Unit owned by such person is not current on all assessments.

Section 4. ELECTION. Election to the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation and the Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

Section 5. POWERS AND DUTIES OF DIRECTORS.

POWERS: The Board of Directors shall have the powers necessary for the administration of the affairs of the corporation and for the operation and maintenance of a high quality residential project, specifically including, but not limited to, the following powers:

a. Adopt, publish and enforce rules and regulations governing use of common areas and facilities of the Property and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof. All such rules and regulations shall be consistent with the Declarations.

b. Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

c. Exercise all powers, duties and authority vested in or delegated to the Association, and not reserved to the membership by other provision of these Bylaws, the Articles of Incorporation or the Declaration.

d. Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors or shall be in default of any assessment levied by the Association.

e. Employ managers, including a managing agent, independent contractors or such other persons as they deem necessary to perform the maintenance and improvements required of the Association and its facilities, and to prescribe their duties.

f. Regulate the use, maintenance, repair, replacement and modification of the Property, facilities, other common elements and common areas.

g. Adopt emergency bylaws or amendments to the Bylaws. Such emergency amendments shall be accompanied by a call for a special meeting of members and notice of the amendment. Such amendment shall be repealed unless ratified at the special meeting. In no event shall such emergency amendment remain in effect longer than thirty (30) days without ratification by the membership.

h. Elect a president, vice-president, treasurer, secretary and such assistants thereto and such other officers as the Board of Directors may deem necessary.

i. Fill vacancies on the Board of Directors.

DUTIES: It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all its acts and Association affairs, and to present, or cause the president to present, a report thereof to the members at the annual meeting.

b. Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

c. To keep in good order, condition and repair all of the general and limited common elements, specifically including but not limited to common areas, and all items of common personal property used by the members in the enjoyment of the entire premises.

d. As more fully provided in the Declaration to:

1. Adopt a proposed budget, including the amount of the annual and special assessment against each Unit, with sufficient reserves for contingencies and deferred maintenance, for consideration at the annual meeting, and to give notice of such adoption, together with a summary thereof, not less than ten (10) nor more than sixty (60) days before the annual meeting.

2. Send written notice of the assessment to every Unit owner

subject thereto. Assessments are due within thirty (30) days of written notification of assessment. Payment not received in full on or before that date shall be considered delinquent. Thereafter, the Board of Directors shall place an assessment lien against the delinquent owner's Property and proceed as set forth in the Declaration.

3. Foreclose the lien against any Property for which assessments are not paid or bring suit against the owner or owners personally obligated to pay the same.

e. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

f. To protect and defend the entire premises from loss and damage by suit or otherwise and to procure and maintain adequate liability and hazard insurance on Property owned by the Association, if such insurance is required for protection of the Association and its members, and to obtain such other insurance, including, but not limited to, Directors' and Officers' Errors and Omissions coverage, as the Board of Directors may deem reasonably necessary.

g. Cause the officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate in its sole discretion.

h. Cause the facilities and common areas which are owned by the Association to be maintained.

i. Maintain all commonly used equipment, if any.

j. Exercise control over grant of easements, utilities or access, as provided in the Declaration.

k. To make repairs, additions, alterations and improvements to the general common elements consistent with managing the project in a high quality manner and consistent with the interests of the Unit owners.

l. Enforce the Declarations and such rules and regulations as are established by the Board of Directors.

Section 6. DIRECTORS' MEETINGS. Regular meetings of the Board of Directors shall be held immediately following the annual meeting of the members and at such other times and places as the Board of Directors may determine. Special meetings of the Board of Directors may be held at such times or places as the Board of Directors may determine. Any action which may be

taken with a meeting may be taken without a meeting with the written consent of all Directors.

Section 7. NOTICE OF MEETINGS. Notice of meetings, other than regular meetings, shall be given by service upon each Director in person, or by mailing to each Director's last known post office address, at least fifteen (15) days before the date therein designated for such meeting. The notice shall state the business to be considered at such meeting, but additional business not specified in the notice may be transacted unless prohibited by the Declaration, Articles of Incorporation or Bylaws. At any meeting at which every member of the Board of Directors is present, except if such presence is for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called, or the Directors not present have waived notice in writing, such person or waiver shall be deemed equivalent to notice, a waiver of all objections to the manner of calling said meeting, and a ratification of the validity of said meeting.

Section 8. QUORUM. At any meeting of the Board of Directors, two members shall constitute a quorum for the transaction of business, but if a quorum is not present, a lesser number may adjourn the meeting to some future time, not more than thirty-one (31) days later.

Section 9. VOTING. At all meetings of the Board of Directors, each Director shall have one vote.

Section 10. VACANCIES. Vacancies on the Board of Directors occurring between annual meetings shall be filled for the un-expired portion of the term by a person or persons selected by a majority of the remaining Directors.

Section 11. REMOVAL OF DIRECTORS. Any one or more of the Directors may be removed, with or without cause, at a meeting of the members called expressly for that purpose, by a vote of a majority of the voting rights present in person or by proxy.

Section 12. COMPENSATION OF DIRECTORS. Directors (whether or not serving as officers of the Association) shall serve without compensation, except that the Board of Directors may provide for reimbursement of necessary expenses incurred in the fulfillment of duties.

Section 13. ATTENDANCE BY TELEPHONE. Any Director shall, upon consent of that Director, be entitled to attend any meeting of the Board of Directors by telephone conference call.

ARTICLE VI - OFFICERS

Section 1. NUMBER. The officers of the Association shall be:

President
Vice-President
Secretary
Treasurer

Officers of the Association may, but need not, be members of the Board of Directors. The duties of any two offices except that of president and secretary may be performed, and said offices may be held, by the same person.

Section 2. ELECTION. All of the officers of the Association shall be elected annually by the Board of Directors at its meeting held after the annual meeting of members, and shall hold the office for the term of one (1) year or until their successors are duly elected. At the option of the members, officers may be elected at the annual meeting of members.

Section 3. DUTIES OF OFFICERS. The duties and powers of the officers of the Association shall be as follows:

PRESIDENT: The president shall:

- a. Cause to be called regular and special meetings of the members and Directors in accordance with these Bylaws.
- b. At the direction of the Board of Directors, appoint and remove, employ and discharge, and fix compensation for all servants, agents, employees and clerks of the Association, other than the officers and Directors.
- c. At the direction of the Board of Directors, sign and make all contracts, agreements and instruments in the name of the Association.
- d. See that the books, reports, statements and certificates required by federal and state laws are properly kept and filed, according to such laws.
- e. Sign all notes and obligations of the Association, but the authority to issue corporate checks shall not be limited to the president but shall be held also by such other officers and agents and in such manner as the Board of Directors may from time to time determine.

VICE-PRESIDENT: The vice-president shall:

- a. At the request of the president, or during the absence of or inability of the president to render and perform the duties or exercise the powers set forth in these Bylaws or in the laws under which this Association is organized, the same shall be performed by the vice-president, and when so acting, the vice-president shall have all the powers and be subject to all the responsibilities hereby given to or imposed upon the president.

SECRETARY: The secretary shall:

- a. Keep the minutes of the meetings of the Board of Directors and of the members in appropriate books.

- b. Give and serve all notices of the Association.
- c. Keep the member ledger book so as to show at all times the names of the members, their respective places of residence, and their post office addresses.
- d. Present to the Board of Directors all communications addressed to the secretary by the president or any officer or member of the Association.
- e. Be custodian of the records of the Association.
- f. Attend to all correspondence and perform all the duties incident to the office of secretary.

TREASURER: The treasurer shall:

- a. Have the care and custody and be responsible for all the funds and securities of the Association, and shall deposit such funds and securities in the name of the Association in such bank or trust company as the Board of Directors may designate. At the direction of the Board of Directors, the treasurer shall disburse the funds of the Association in such manner and to such persons, corporations or other entities as the Board of Directors may designate.
- b. Exhibit at all reasonable times the books and accounts of the Association to any Director or member of the Association.
- c. Render a statement of the condition of the finances of the Association at each annual meeting of the members, and at such other times as may be required.
- d. Keep correct books of account of all the Association's business and transactions, and such other books and records as the Board of Directors may require from time to time.
- e. Do and perform all duties pertaining to the office of treasurer.

Section 4. VACANCIES. All vacancies in any office shall be filled by the Board of Directors without undue delay, either at its regular meeting or at a meeting specially called for that purpose.

Section 5. REMOVAL OF OFFICERS. By majority vote, the Board of Directors may remove any officer at any time, with or without cause.

ARTICLE VI - AMENDMENTS

These Bylaws may be altered, amended, repealed or added at any annual meeting of the membership, or at any special meeting called for that purpose, by a vote of three-fourths (3/4) of a

quorum of the members present in person or by proxy.

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

Section 1. PROOF OF OWNERSHIP. Except for those owners who initially purchase a Unit from declarant, any person on becoming an owner of a Unit shall furnish to the managing agent or Board of Directors a certified copy of the recorded instrument vesting that person with an interest or ownership in the Unit, 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 at a special meeting of members unless this requirement is first met.

Section 2. REGISTRATION OF MAILING ADDRESS. The owners or several owners of an individual Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly 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 Unit 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 the interest of (all of) the owners thereof.

Section 3. DESIGNATION OF VOTING REPRESENTATIVE - PROXY. If a Unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a Unit 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 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 operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this paragraph.

The requirements contained in this Article VII shall be met before an owner of a Unit shall be deemed in good standing and entitled to vote at any annual or special meeting.

ARTICLE XIII - OBLIGATIONS OF THE OWNERS

Section 1. ASSESSMENTS. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the general common elements according to the formula established by the Declaration and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of 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 Unit owned by him.

Section 2. MAINTENANCE AND REPAIR.

a. Every owner must perform promptly at his own expense all maintenance and repair work within his own Unit which, if omitted, would affect the project or the interests of the other owners.

b. All the repairs or installations within a Unit shall be at the respective owner's expense.

c. An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by the Association in repairing or replacing any general or limited common element damaged by such owner's negligence or by the negligence of his tenants, agents or guests.

Section 3. COMPLIANCE. Each owner shall comply strictly with the provisions of the recorded Declaration and these Bylaws and amendments thereto.

Section 4. USE OF LOTS - INTERNAL CHANGES.

a. All Lots shall be utilized exclusively for residential purposes except as otherwise provided in the Declaration and map.

b. Any improvement to any Unit shall be done in conformity with the Declaration.

Section 5. USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each owner may use the common elements and common areas located within the entire project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful right of the other owners.

Section 6. RULES AND REGULATIONS. The Board of Directors, pursuant to Section 5(a) of Article IV of these Bylaws, reserves the power to establish, make and enforce compliance with any rules and regulations as may be necessary for the operation, use and occupancy of this project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each Unit owner prior to the date when the same shall become effective.

**ARTICLE IX - ABATEMENT AND ENJOINMENT OF VIOLATIONS
BY LOT OWNERS**

Upon reasonable advance notice given, the violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaw, or the breach of any provision of the Declaration shall give the Board of Directors, or the managing agent, the right, in addition to any other rights set

forth herein, to bring such action, in law or in equity, for the abatement of such violation, and for damages.

ARTICLE X - COMMITTEES

Section 1. The Board of Directors may, but shall not be required to, appoint committees as necessary to fulfill the purposes of these Bylaws.

Section 2. A vacancy in any committee shall be filled by the president until the next meeting of the Board of Directors.

ARTICLE XI - NON -PROFIT STATUS

This Association is not organized for profit. No member, member of the Board of Directors, 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 be distributed to, or inure to the benefit of any member of the Board of Directors, officer or member; provided, however, that (1) reasonable compensation may be paid to any manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member, manager or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

These Bylaws are hereby adopted at a special meeting of the Pagosa Hotel Mall Owner's Association, Inc. held on the 3rd day of February, 2015.

PAGOSA HOTEL MALL OWNER'S ASSOCIATION, INC.

By: _____
Danny Wood, Director

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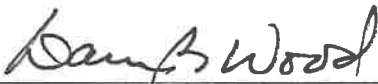
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Danny Wood, Director