

*FIRST AMENDMENT
TO THE
AMENDED AND RESTATED BYLAWS
OF
BATTLEMENT MESA SERVICE ASSOCIATION*

THIS AMENDMENT is made this 19th day of August, 2003.

RECITALS

Battlement Mesa Service Association ("Association"), which operates under the Colorado Nonprofit Corporation Act, certifies that:

The Association desires to amend its Bylaws currently in effect as follows.

The provisions set forth in this Amendment supersede and replace the provisions set forth in the existing Bylaws.

Pursuant to Article XIII, Section 13.1 of the existing Bylaws, Delegates representing fifty-one percent (51%) of the voting power of the Members of the Service Association at a duly constituted meeting of the Service Association have approved this Amendment.

NOW THEREFORE, the Bylaws of the Association are hereby amended as follows:

I. Amendments. The Bylaws are hereby amended as follows:

(a) Repeal and Restatement. Section 5.6 is hereby repealed in its entirety and the following Section 5.6 is substituted:

5.6 Resignation of Delegates. Any Delegate may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors, stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. Resignation as a Delegate shall automatically constitute resignation as a Director.

(b) Repeal and Restatement. Section 6.1 is hereby repealed in its entirety and the following Section 6.1 is substituted:

6.1 Annual Meetings of the Delegates. Annual meetings of the Delegates shall be held on such day and at such time as is fixed by the Board of Directors from time to time and specified in the notice of meeting. Annual

meetings of Delegates shall be held to transact such business as may properly come before the meeting.

(c) **Repeal and Restatement.** Section 6.12 is hereby repealed in its entirety and the following Section 6.12 is substituted:

6.12 Voting by Mail in Lieu of a Meeting. The Board of Directors may decide that voting of the Delegates on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by mail instead of at a meeting. In case of a vote by mail, the Secretary shall mail written notice to all Delegates at each Delegate's address as it appears in the records of the Association. The notice shall include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Delegates are entitled to vote by mail for or against such proposal, and (iii) a date at least thirty (30) days after the date such notice shall have been given on or before which all votes must be received at the office of the Association at the address designated in the notice. Voting by mail shall be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Delegates at a meeting.

(d) **Repeal and Restatement.** Article 7, Sections 1 through 6 is hereby repealed in its entirety and the following Sections are substituted:

7.1 Number and Qualification. The affairs of the Battlement Mesa Service Association shall be governed by a Board of Directors (the "Board") which shall consist of eleven (11) members, nine of whom are the Delegates of the Association, and two of whom shall be appointed by the Declarant. The number of Directors shall increase as new Delegate Areas are developed and, consequently, new Delegates are elected by the owners within the new Delegate Areas.

7.2 Term of Office for Directors. The term of office of Directors shall be three (3) years or the same as the Delegate term which that Director is currently serving. The term of office of Declarant-appointed Directors shall be three (3) years or until such time as a successor is appointed by Declarant. The terms of the Directors shall be staggered, as provided for in the Bylaws. There shall be no limit on the number of terms a Director may serve.

- 7.3 Removal/Resignation of Directors.** Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. Resignation as a Director shall automatically constitute resignation as a Delegate. A Director may be removed at any duly called meeting of Members of a Delegate Area, called pursuant to these Bylaws, with or without cause, by a vote of a majority of a quorum of the Members of the Delegate Area present in person. However, Members of a Delegate Area may only remove a Director which serves as Delegate of that Delegate Area. Notice of a Special Meeting of the Members to remove a Director shall be provided to each Owner of that Delegate Area, including the Director sought to be removed, as set forth in these Bylaws. Directors sought to be removed shall have the right to be present at such meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken. In the event of removal of a Director, his or her successor shall be elected by the Members at this meeting and shall serve for the unexpired term of his or her predecessor.
- 7.4 Vacancies.** Vacancies on the Board caused by any reason shall be filled by a Member of the Delegate Area from which such Board Member was elected. Each person so elected as a Director and Delegate shall serve for the remainder of the unexpired term. Only Members eligible to vote, current in the payment of assessments, and otherwise in good standing, may be elected to fill a vacancy on the Board. In the case where through removal or resignation, the total number of Board members is less than eleven (11), the Board will be considered properly constituted until such vacancies are filled. The number of Directors shall not be less than three (3), and no decrease in number shall have the effect of shortening the term of any incumbent Director.
- 7.5 Compensation.** No Director shall receive compensation for any service they may render as Director to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of the Association duties.

