

BYLAWS OF
EDGEMONT RANCH METROPOLITAN DISTRICT

ARTICLE I

Name

The name of the Metropolitan District shall be: Edgemont Ranch Metropolitan District.

The Edgemont Ranch Metropolitan District shall be referred to in these Bylaws as the "District".

ARTICLE II

Meeting Place

The regular meetings of the District shall be at the office of the Edgemont Ranch Metropolitan District, located at 5966 County Road 234, Durango, Colorado.

This article shall not prevent the Board of Directors from holding meetings at other designated places as allowed under Article V hereof.

ARTICLE III

Purposes

The purposes for which the District is formed are to provide a water district, sanitation district, public park district, safety protection district, street improvement district, television relay translator district, metropolitan district, and to contract for fire protection facilities for the District and its inhabitants, pursuant to Article I of Title 32, Colorado Revised Statutes 1973, as amended, known as the "Special District Act". In fulfilling these purposes, the District shall have and exercise all of the powers conferred upon a Metropolitan District by the aforementioned Article I, Title 32, C.R.S. 1973. Further, the District shall be subject to any and all restrictions upon its authority contained in the said Article I, Title 32, C.R.S. 1973.

ARTICLE IV

Membership and Fees

Any individual who resides within the boundaries of the District shall be a member of the District and subject to the Rules and Regulations of the District and liable for the payment of any fees established by the District for the rendering of services by the District.

The District may, at its option, provide services to individuals outside the boundaries of the District pursuant to its Rules and Regulations, and pursuant to statute. Those individuals shall be subject to the fees imposed by the District for the particular services rendered.

ARTICLE V

Board of Directors

The Board of Directors shall consist of five (5) persons, each of whom shall be a resident of the District, who shall be elected and serve pursuant to the provisions of Article I, title 32, C.R.S. 1973.

The duties of the Board of Directors shall be (a) to transact small businesses of the District; (b) to create standing committees; (c) to approve the plans of work of the standing committees; (d) to prepare and submit to the District for approval a budget for the fiscal year; (e) to appoint an auditor or an auditing committee to audit the accounts of the District at such times as specified by law; (f) to approve routine bills within the limits of the budget; (g) to present a report at the annual meeting of the District; and (h) to nominate and appoint a president, vice-president, secretary and treasurer of the Board and the District.

The Board shall meet at a time and in a place to be designated by the Board. Special meetings may be held as often as the needs of the District require, and notice to each member of the Board. Notice of time and place designated for all regular meetings and all special meetings shall be posted as required by 1973, C.R.S., §32-1-903. Three members of the Board shall constitute a quorum at any meeting. Any vacancy on the Board shall be filled by the remaining members or member of the Board, the appointee to act until the next regular election and the vacancy shall be filled by election.

The annual meeting of the Board of Directors shall be on 1st Monday of November of each year.

ARTICLE VI

Officers

1. Officers. The officers shall consist of a president, a vice-president, a secretary and a treasurer. The secretary and the treasurer may be one person. President of the District shall also be the Chairman of the Board of Directors of the District and the remaining officers may also be members of the Board.

The officers shall be elected by the Board annually at the annual meeting in the month of November.

The officers shall assume initial duties following the close of the annual meeting in November, and shall serve for a term of one year and until the election and qualification of their successors.

Vacancy. A vacancy occurring in any office shall be filled for the unexpired term by a person elected by a majority vote of the the remaining members of the Board of Directors.

2. Duties of the Officers. The Board of Directors and the officers shall adopt a seal, and the secretary shall keep, in a well-bound book, a record of all its proceedings, minutes of all meetings, certificates, contracts, bonds given by employees, and all corporate acts which shall be open to inspection of all owners of real property in the District, as well as to all other interested parties.

The treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District, in permanent record. He shall file with the District Court, at the expense of the District, a corporate fidelity bond in an amount not less than Five Thousand Dollars (\$5,000), conditioned on the faithful performance of the duties of his office.

ARTICLE VII

Compensation of the Board

Each member of the Board may receive his compensation for his services, a sum not in excess of \$ 950.00 per annum, payable in amounts not to exceed \$ 50.00 per meeting attended, if the proposition has been submitted to the regular election and approved as required by Section 32-1-902, 1983, C.R.S., for authorization of indebtedness. No member of the Board shall receive any compensation as an employee of the District or otherwise, other than as provided herein. No member of the Board shall be interested in any contract or transaction with the District except in its official representative capacity.

ARTICLE VIII

Standing and Special Committees

Board of Directors may create such standing committees as it may deem necessary to promote the purposes to carry on the work of the District. The term of each chairman shall be one year and until the appointment and qualification of successor.

ARTICLE IX

Indemnification

Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the district), by reason of the fact that he is or was a director, officer, employee, fiduciary, or agent of the district or is or was serving at the request of the district as a director, officer, employee, fiduciary of another district, partnership, joint venture, trust, or other enterprise, shall be indemnified by the district

against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding as per the "Colorado Governmental Immunity Act", Chapter 24, Article 10, 1973 C.R.S.

ARTICLE X

Insurance

By action of the board of directors, notwithstanding any interest of the directors in the action, the district may purchase and maintain insurance, in such amounts as the board of directors deems appropriate, on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the district or who is or was serving at the request of the district as a director, officer, employee, fiduciary, or agent of any corporation, partnership, joint venture, trust, or other enterprise against any liability asserted against him and incurred by him in any such capacity or rising out of his status as such, whether or not the district would have the power to indemnify him against such liability under the provisions of the Colorado Governmental Immunity Act.

ARTICLE XI

Waivers of Notice

Whenever notice is required by law, or by these bylaws, a waiver thereof in writing signed by the director, entitled to said notice, whether before, at, or after the time stated therein, or his appearance at such meeting in person shall be equivalent to such notice.

ARTICLE XII

Seal

The seal of the District shall be as more particularly shown in the following impression:

ARTICLE XIII

Amendments

These Bylaws may be amended, repealed or altered in whole or in part by a majority vote at any regular or special meeting of the Board of Directors of the Edgemont Ranch Metropolitan District.