

**BY-LAWS
OF
UTE PARK SUBDIVISION
TOWNHOME HOMEOWNERS' ASSOCIATION
LOT 4**

ARTICLE ONE - NAME, LOCATION AND PURPOSE

Section 1.1 -- Name.

The name of the corporation is the Ute Park Subdivision Townhome Homeowners' Association, Lot 4.

Section 1.2 -- Registered Office and Agent.

The corporation shall have and continuously maintain in the State of Colorado a registered office, which may be the same as its principal office, and a registered agent whose business office identical with such registered office. The initial registered office and the initial registered agent are specified in the Articles of Incorporation. The corporation may change its registered office of changes in registered agent, or both upon filing a statement as specified by law in the office of the Secretary of State of Colorado.

Section 1.3 -- Declaration.

The "Declaration" shall mean the Amended Declaration of Covenants, Conditions, Limitations, Restrictions, Reservations, Liens and Charges for Ute Park Subdivision Lot 4 as the same may be amended from time to time, and unless the context otherwise indicates, any Supplemental Declaration contemplated therein. The corporation is organized to be and constitute the Association to which reference is made in the Declaration, to perform functions and hold and manage property as provided in the Declaration and to further the interests of owners of Units in the Ute Park project. As provided in the Declaration, no provision of the Articles of Incorporation or By-Laws of this corporation may be inconsistent with any provision of the Declaration.

ARTICLE TWO -- DEFINITIONS

Section 2.1 -- Developer or Declarant.

"Developer" or "Declarant" shall mean and refer to the Ute Park Partnership, Inc.

Section 2.2 -- Additional Definitions.

The definitions contained in paragraphs 2.1 through 2.26 inclusive of Article Two of the Declaration are incorporated herein by reference.

ARTICLE THREE - PLAN OF OWNERSHIP

Section 3.1 -- Ownership.

The Project, located in Pitkin County, Colorado, is a project containing Townhome Units established pursuant to the provisions of the Colorado Condominium Ownership Act and the Declaration.

Section 3.2 -- Applicability.

All present or future owners, and their Guests, and any other persons that may use the common facilities of the Project are subject to the restrictions governing the use of property within the Project as set forth in the Declaration, in any Supplementary Declaration or in these By-Laws, as they may be amended from time to time. Each such Owner, by the Acquisition of a Unit, covenants for himself, his family and his Guests that the provisions of the Declaration and these By-Laws are accepted and ratified and that each such person will comply with said provisions.

ARTICLE FOUR - MEMBERSHIP

Section 4.1 -- Membership.

Every person or entity having any of the following described interests in any Unit which is subject by the Declaration to Assessment by the Association, shall be a Member of the Association: (a) The Owner of any such Unit after the Unit becomes subject to assessments; and (b) the Developer.

Any person or entity having any such interest merely as security for the performance of an obligation shall not be a Member. Membership and the right to vote shall be appurtenant to and may not be separated from the Units. Unit ownership shall be the sole qualification for Membership.

Section 4.2 -- Transfer.

The membership held by Developer or any record Owner of a Unit shall not be transferred, pledged or alienated in any way, except upon the sale or assignment of such Unit and then only to make a prohibited transfer is void and will not be reflected upon the books and records of the Association. In the event Developer or any Owner should fail or refuse to transfer the membership registered in his name to the purchaser or assignee, the Association shall have the right to record the transfer upon the books of the Association.

Section 4.3 -- Assessments.

(a) **Payment of Assessments.** The rights of membership of the Members are subject to the payment of annual, special and extraordinary assessments levied by the Association, as provided by Articles IX, XI and XII of the Declaration.

(b) **Rate of Assessment.** All annual and special assessments must be fixed at the rate provided in the Declaration.

Section 4.4 -- Suspension of Membership.

The voting rights and the right to use and enjoyment of the Common Elements of any Member, and his Guests and delegates, may be suspended by action of the Board during any period when Assessments owing by such Member remain unpaid and delinquent; but, upon payment of such Assessments, his rights and privileges shall be automatically restored.

If the Directors have adopted and published rules and regulations governing the use of the Common Elements or the Association Property and facilities and the personal conduct of any person thereon, as provided in Articles VII and IX of the Declaration, they may, in their discretion, after reasonable notice and hearing, suspend the rights aforementioned of any person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE FIVE - VOTING RIGHTS

Section 5.1 -- Number of Votes.

The Association shall have two classes of voting membership:

Class A. Class A members shall be entitled to one vote for each Unit.

Class B. The Class B Member shall be the Declarant. The Class B Member shall be entitled to a number of votes with respect to all units in the Project owned by it which shall be calculated by multiplying each such Unit by the number 3.

The Class B. Membership shall cease and become converted to a Class A Membership on the happening of the following events, whichever occurs earlier:

- (i) when 7 units have been sold; or
- (ii) on the expiration of a 3 year period from the date of filing for record of the Declaration or the most recently filed Supplementary Declaration subject any portion of Ute Park Subdivision Lot 4 to the provisions of the Declaration; or
- (iii) _____ insert date.

Section 5.2 -- Joint Owners

When more than one person holds a single membership interest, all such persons shall be Members and the vote for such Membership exercised as they among themselves determine.

In the event that joint Owner are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain membership interest, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Unit.

Section 5.3 -- Majority of Voting Power.

As used in these By-Laws the term "majority of voting power" shall mean a number of votes in excess of fifty percent (50%) of the number of qualified votes cast with respect to any question presented to the Members.

Section 5.4 -- Limitation of Voting Rights of Developer.

The Developer shall be entitled to cast a number of votes determined in accordance with the provisions of Section 5.1 of this Article on all questions presented to the Members for vote; except that, the Developer shall not be entitled to cast such votes on the following questions: (i) whether or not to impose Assessments on the Members for the purpose of making capital improvements to the Project (where the expenditure involved exceeds \$1000.00, (ii) whether or not the Association should encumber or transfer all of the Association's Property; and (iii) on any other questions where its right to cast its votes is limited by the Declaration.

ARTICLE SIX - PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON AREAS

Section 6.1 -- Rights of Use and Enjoyment.

Each Member and such Member's Guests shall be entitled to the use and enjoyment of the Common Elements and the facilities as provided in the Declaration.

Section 6.2 -- Delegation of Rights to Use and Enjoyment.

Any Member may delegate his rights of enjoyment in the Common Elements and facilities to the members of his family. Such Member shall, upon request by the Board, notify the Secretary in writing of the name of any such person or persons and of the relationship of the Member to such person or persons. The rights and privileges of such persons are subject to suspension under Article Four, Section 4.4 hereof, to the same extent as those of the Member.

ARTICLE SEVEN -- MEETING OF MEMBERS

Section 7.1 -- Place of Meetings.

All annual and other meetings of Members shall be held at the principal office of the Association, or at any other place which may be designated by the Board.

7.2 -- Organizational and Annual Meetings.

The organizational meeting of the Members shall be held no later than six months after the sale of the first unit, and each subsequent regular annual meeting of the Members shall be held on the third Friday in January of each year thereafter.

Section 7.3 -- Special Meetings.

Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon the written request of one or more Members holding not less than one-fourth (1/4) of the voting power of the entire membership or holding not less than one-fourth (1/4) of the voting power of the entire Class A membership.

Section 7.4 -- Record Date.

For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of Members of any other proper purpose, the Board of Directors may fix, in advance, a date as the record date for any such determination of Members. The record date shall be not less than 50 days and not less than 10 days prior to the meeting of Members or the event requiring a determination of Members.

7.5 -- Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary, or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days, but not more than fifty (50) days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. If the Member supplies no address, notice shall be deemed to have been given him if mailed to the place where the principal office of the Association is situated, or published at least one in some newspaper of general circulation in the County of Pitkin, State of Colorado.

7.6 -- Quorum and Adjournment.

At all meetings of Members duly called through and including the first meeting duly called subsequent to the sale of the first Unit, the present, in person or by proxy or mail, thereat of Members or proxies entitled to exercise not less than fifty-one (51) percent of the voting power of the membership shall constitute a quorum for the transaction of business. At each meeting of Members duly called subsequent to the first meeting of Members duly called after the sale of the first Unit, the presence, in person or by proxy or mail, thereat of Members or proxies entitled to exercise not less than twenty-five percent (25%) of the voting power of the membership shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

If a quorum is present, the meeting may be adjourned from time to time by the vote of a

majority of the Members present in person or by proxy and entitled to vote thereat. If the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting other than by announcement at the meeting at which such adjournment is taken.

If the required quorum is not present or represented at the meeting, the Members entitled to vote thereat may adjourn the meeting, without notice, to a time not less than forty-eight (48) hours nor more than thirty (30) days from the time the preceding meeting was called, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting.

Except where a greater portion of the voting power is required by the Articles, the Declaration or the By-Laws, a majority of the voting power present, in person or by proxy, shall prevail at all meetings.

Section 7.7 -- 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. No proxy shall be valid after eleven (11) months from the date it is executed, unless explicitly otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of the Unit.

Section 7.8 -- Voting of Members by Mail.

Voting by mail by members shall be permitted for election of directors, which shall require in such case at least a majority of the votes which members are entitled to cast in such election. Voting by mail by Members shall be permitted for an amendment to the Articles of Incorporation or a proposed plan or merger, consolidation, or dissolution, which shall require in such case the affirmative vote of at least two-thirds (2/3) of the votes which Members are entitled to cast on such question.

Section 7.9 -- Entry of Notice.

Whenever any Member entitled to vote has been absent from any meeting of Members whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such Member or Members as required by law and by the Articles, Declaration and By-Laws of the Association.

Section 7.10 -- Voting Cumulative.

Voting may be via voice or by ballot; provided, however, that all elections for directors may be by secret written ballot upon demand made by any Member at any election and before the voting begins. Every Member entitled to vote at any election for directors of this Association shall have the right to cumulate his votes and give one candidate a number of votes equal to the

number of directors to be elected multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit.

7.11 -- Consent of Absentees.

The transaction of business at any meeting of Members, either annual or special, however, called and noticed, shall be as valid as though had a meeting duly held after regular call and notice, if a quorum be present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approval shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7.12 -- Action Without Meeting.

Any action which under the provisions of the laws of the State of Colorado may be taken at a meeting of the Members, may be taken without a meeting, if authorized by writing signed by all of the Members who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

**ARTICLE EIGHT -- BOARD OF DIRECTORS;
SELECTION; TERM OF OFFICE**

Section 8.1 -- Qualification of Directors.

Directors need not be residents of Colorado or members of the Association. Directors shall be at least 18 years of age.

Section 8.2 -- Number.

The affairs of this Association shall be managed by a Board of five (5) directors, who need not be Members of the Association.

Section 8.3 -- Appointment of First Board.

The Members of the First Board named in the Articles of Incorporation of this Association shall hold office until their respective successors are elected to the Second Board as provided for hereinbelow.

Section 8.4 -- Election.

At the first meeting of Members duly called after the sale of the first Unit, the Members shall elect five directors for a term of one year which directors shall constitute the "Second Board" and at each annual meeting thereafter the Members shall elect directors for a term of one year to succeed those directors whose terms have expired. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. If any annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special

meeting of Members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 8.5 -- Election of Second Board.

At, or prior to, the first meeting of Members duly called after the sale of the first Unit, candidates for the Board of Directors shall be nominated by the Nominating Committee or at the meeting as elsewhere herein provided. The candidates receiving the highest number of votes cast in such election shall be elected.

Section 8.6 -- Vacancies.

Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office of the unexpired term of his predecessor and until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose.

Section 8.7 -- Compensation.

No director shall receive compensation for any service he may render to the Association as such. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE NINE -- NOMINATION OF DIRECTORS

Section 9.1 -- Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the organizational or annual meeting or special meeting as the case may be. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Board or the Association. The Nominating Committee shall meet annually to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among the Members or non-members. In the case of the election of the Second Board, nominations shall specify the term of office sought by the candidate.

ARTICLE TEN -- MEETINGS OF DIRECTORS

Section 10.1 -- Place of Meeting.

Regular meetings of the Board shall be held at any place which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the

Association. Special meetings of the Board may be held either at a place so designated or at the principal office.

Section 10.2 -- Organizational Meeting.

As soon as practicable following the organizational meeting and each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

Section 10.3 -- Other Regular Meetings.

Other regular meetings of the Board of Directors shall be held at such time and place as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day thereafter ensuring which is not a legal holiday.

Section 10.4 -- Special Meetings.

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board of Directors or by the President of the Association, or, if they are absent or unable or refuse to act, by any Vice President or by any two Directors.

Section 10.5 - Notice of Directors' Meetings.

In the case of all meetings of directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, by mail, telegraph, telephone, or personally, by or at the direction of the persons calling the meeting to each member of the Board of Directors. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the director at his home or business address as either appears on the records of the corporation, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered when deposited in a telegraph office addressed to the director at either such address, with all charges thereon prepaid. If telephone, such notice shall be deemed when given by telephone to the director or to any person answering the phone who sounds competent and mature at his home or business phone number as either appears on the records of the corporation. If given personally, such notice shall be deemed to be delivered by delivering a copy of a written notice to, or verbally advising, the director or some person who appears competent and mature at his home or business address as either appears on the records of the corporation.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 10.6 - Notice of Adjournment.

Notice of adjournment of any director's meeting, either regular or special, need not be given to

absent directors, if the time and place are fixed at the meeting adjourned.

Section 10.7 -- Entry of Notice.

Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director, as required by law and by the By-Laws of the Association.

Section 10.8 -- Waiver of Notice.

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10.9 -- Quorum.

A majority of the number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 10.10 -- Adjournment.

A majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed or the next regular meeting of the Board or to any stated day and hour.

Section 10.11 -- Attendance at Meetings.

If a director shall fail to attend three (3) consecutive meetings of the Board of Directors without leave of absence granted by said Board of Directors, his office as a director may be declared vacant by a vote of a majority of all the remaining directors.

Section 10.12 -- Action by Written Consent in Lieu of Board Meeting.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board and shall state that the action was taken by unanimous written consent shall have the same force and effect as a unanimous vote of such directors.

**ARTICLE ELEVEN -- POWERS AND DUTIES
OF THE BOARD OF DIRECTORS**

Section 11.1 – Powers.

Subject to limitations of the Articles, the Declaration, or the By-Laws, and the laws of the State of Colorado as to action required to be authorized or approved by the Members, and subject to the duties of directors as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors. Without prejudice, to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to wit:

- a. To select and remove all the other officers, agents, and employees of the Association prescribe such powers and duties for them as may not be inconsistent with law, with the Articles, the Declaration, or the By-Laws, fix their compensation and, at the discretion of the directors, require from them security for faithful service;
- b. To adopt and publish rules and regulations governing the use of the Common Elements and facilities, and the personal conduct of the Members and their Guests and delegates thereon, and to establish penalties of the infraction thereof;
- c. To conduct, manage, and control the affairs and business of the Association.
- d. To establish and change the principal office or the transaction of the business of the Association from one location to another to designate any place for the holding of any Members' meeting or meetings; and to adopt, make, and use a corporate seal and to alter the form of such seal from time to time as in their judgment they deem best; provided such seal shall at all times comply with the provision of law;
- e. To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation or other evidence of debt and securities therefor;
- f. To maintain and otherwise manage, or cause to be manage, the Common Elements and facilities, and all other property acquired by the Association, and to contract and pay maintenance, gardening, utilities, materials, and supplies and services relating to the Common Elements and/or facilities, and to employ personnel reasonably necessary for the operation of the Association, including lawyers and accounts where appropriate.
- g. To contract and pay for the use and enjoyment of recreational facilities by the Members of the Association.

- h. To pay taxes and special assessments which are or would become a lien on the Common Elements;
- i. Where appropriate, to pay for reconstruction of any portion or portions of the Common Elements damaged or destroyed which are to be rebuilt;
- j. To grant easements where necessary for utilities and sewer facilities over the Common Elements to such areas;
- k. To delegate its powers hereunder to committees as hereinafter provided or to the officer and agents of the Association;
- l. To exercise all other powers granted to the Board by the Declaration, the Articles or the By-Laws, or the laws of the State of Colorado; and

Section 11.2 -- Duties.

It shall be the duty of the Board of Directors:

- a. to cause to be kept a complete record of all of its acts and corporate affairs and cause an annual independent examination or audit of the Association's account or accounts to be made and to cause a copy of such report to be distributed to each Member within thirty (30) days of completion;
- b. To supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- c. As more fully provided in the Declaration, to:
 1. To perform such acts as may be reasonably necessary to enforce any provision of the Declaration or any Supplementary Declaration;
 2. Fix the amount of the annual and special Assessments against each Unit at least thirty (30) days in advance of each annual assessment period;
 3. Prepare a roster of the Units within the Project and Assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any owner during normal business hours; and
 4. Send written notice of each Assessment to every Owner subject thereto at least fifteen (15) days in advance of each annual Assessment period;
- d. To issue, or to cause an appropriate officer to issue, upon demand by any Owner, a certificate setting forth whether or not any assessment or portion thereof has been paid. A reasonable charge may be made by the Board for the issuance of

these certificates. If a certificate states an Assessment or portion thereof has been paid, such certificate shall be conclusive evidence of such payment;

- e. To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds;
- f. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g. To cause the Common Elements and facilities and all property of the Association to be maintained and managed; and
- h. To perform all other duties as may be required of the Board of Directors by the Declaration, the Articles, the By-Laws, or the laws of the State of Colorado.

Section 11.3 -- Limitation on Organizational Management.

The members of the First Board appointed by the Developer shall serve until their successors are elected as hereinabove provided and any Manager selected by them and all contracts entered into by such Board on behalf of the Association shall be so limited that the Second Board shall have the right to cancel such selection and contracts upon appointment.

ARTICLE TWELVE -- COMMITTEES

Section 12.1 -- Nominating Committee.

The Board of Directors shall appoint a Nominating Committee as required by Article Eight of these By-Laws.

Section 12.2 -- Other Committees.

In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out the purposes of the Association, which may include:

- a. A **Maintenance Committee** which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of the Common Elements and facilities and shall perform such other functions as the Board in its discretion determines;
- b. A **Finance Committee** which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its annual meeting, as provided in these By-Laws. The Treasurer shall be an *ex officio* member of the committee.

Section 12.3 -- Complaints.

It shall be the duty of each committee to receive complaints from Members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matters presented.

ARTICLE THIRTEEN - OFFICERS

Section 13.1 -- Officers.

The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer. The Association may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more additional Vice Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. The officers need not be members of the Board of Directors of the Association; except that, the Chairman of the Board shall also be a member of the Board. One person may hold two or more offices except those of President and Secretary.

Section 13.2 -- Appointment. The officers of the Association, except such officers as may be appointed in accordance with the provision of Section 13.3 or Section 13.5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successors shall be appointed and qualified.

Section 13.3 -- Subordinate Officers, etc.

The Board of Directors may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

Section 13.4 -- Removal and Resignation.

Any officers may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the Association. Any such resignation shall take effect at the date of the 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 13.5 -- Vacancies.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by the Board of Directors at any regular or special meeting, and the officers chosen shall hold office until he shall resign or shall be removed or otherwise disqualified to serve, or his successors shall be elected and qualified.

Section 13.6 -- Chairman of the Board.

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the By-Laws.

Section 13.7 -- President.

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there shall be such an officer, the President shall be the chief executive officer of the Association, and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the Association. He shall preside at all meetings of the Members. He shall be ex-officio a member of all the standing committees and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 13.8 - Vice President.

In the absence of or disability of the President, the First Vice President shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The First Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board of Directors or the By-Laws.

Section 13.9 -- Secretary.

The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the Members present or represented at Members' meetings and the proceedings thereof. The Secretary shall keep, or cause to be kept, a membership book containing the name and address of each Member. Termination of any membership shall be recorded in the book, together with the date on which the membership ceased.

The Secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board of Directors required by the By-Laws, the Articles, the Declaration, or By Law to be given, and he shall keep the seal of the Association in safe custody, and shall have such other

powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

Section 13.10 -- Treasurer.

The Treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall at all times be open to inspection by any Director.

The Treasurer shall deposit all monies and other valuable in the name and to the credit of the Association with such depositaries as may be designated by the Board of Directors. He shall disburse the funds of the association as may be ordered by the Board of Directors, shall render to the president and Directors, whenever they request it, an account of all of this transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

ARTICLE FOURTEEN -- MISCELLANEOUS

Section 14.1 -- Inspection of Association Records.

The books, records, and papers of the Association shall be open to inspection upon the written demand of any Member, at any reasonable time, and for a purpose reasonably related to his interests as a Member, and shall be produced at any time when required by the demand of ten percent (10%) of the voting power of either class of membership represented at any Members' meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection, other than at a Members' meeting, shall be made in writing upon the President, Secretary, or Assistant Secretary of the corporation. Even such demand, unless granted, shall be referred by such officer to the Board of Directors.

Section 14.2 -- Checks, Drafts, etc.

All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by resolution of the Board of Directors.

Section 14.3 -- Annual Reports.

The corporation shall file annually with the Secretary of State of Colorado, within the time prescribed by law, an annual report on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

Section 14.4 -- Contracts, etc., How Executed.

The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 14.5 -- Inspection of By-Laws.

The Association shall keep in its principal office for the transaction of business, the original or a copy of the By-Laws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Section 14.6 -- Seal.

The Board of Directors may adopt a seal which shall have inscribed thereon the name of the corporation and the words "SEAL" and "COLORADO".

Section 14.7 -- Shares of Stock and Dividends Prohibited.

The corporation shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the corporation shall be distributed to its Members, directors or officers.

Notwithstanding the foregoing paragraph, the corporation may issue certificates evidencing membership therein and the corporation may pay compensation in a reasonable amount to its Members, directors or officers for services rendered, and may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation may make distributions to its Members as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

Section 14.8 -- Loans to Directors and Officers Prohibited.

No loan shall be made by the corporation to its directors or officers and any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

Section 14.9 -- Limited Liability

As provided in the Declaration, neither Ute Park Subdivision, the Association, the Board of Directors of the Association, nor any officer, agent or employee of any of the same, shall be liable to the Association or any Member for any action or for any failure to act with respect to any matter so long as such person or entity was not guilty of fraud, gross negligence or bad faith

in taking such action or failing to act.

Section 14.10 - Indemnification.

The Association shall indemnify Ute Park Subdivision, each Member of the Board of Directors of the Association and any employee or agent of Ute Park Subdivision, or the Association as and to the extent provided in the Declaration.

Section 14.11 - Dissolution.

The Association may be dissolved with the assent given in writing and signed by not less than seventy-five percent (75%) of the votes of the entire membership of the Association and by not less than two-thirds (2/3) of the entire membership of the Board of Directors, or by not less than eighty percent (80%) of the votes of the entire membership of the Association. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be redistributed to the members according to their percentage of ownership. Said distribution may be used to remove the delinquency of any members owing monies to the Association, but no member shall receive any distribution upon dissolution unless his assessment account is current.

ARTICLE FIFTEEN -- AMENDMENTS

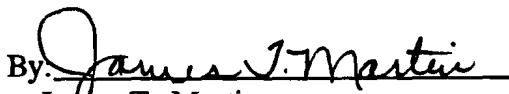
Section 15.1 -- Power of Members.

By-Laws may be adopted, amended, or repealed either at a meeting by the vote of Members entitled to exercise a majority of the voting power, or by the written consent of such members, except as otherwise provided by law, the Declaration, or by the Articles of Incorporation.

Section 15.2 -- Construction

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

IN WITNESS HEREOF, the Declarant has executed these By-Laws this 10th day of November, 1992.

By: 
James T. Martin