

BYLAWS
OF
HOAGLUND RANCH HISTORIC PUD OWNERS ASSOCIATION, INC.

ARTICLE I

Not for Profit

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

Definitions

As used herein, the following definitions shall apply:

1. Project - The Project shall mean the Hoaglund Ranch Historic PUD affordable housing units as depicted on the Plats for Phase 1 and Phase 2 of the PUD, excluding free market Lots 1 and 2, and including Open Space Parcel No. 2 as depicted on the Plats and all Common Areas as defined below.

2. Common Areas - The Common Areas of the Project include the roads serving the individual Lots and Units including Hoaglund Ranch Road within the property boundaries and easements and Eddie Lane. The Common Areas include the barn and land identified on the Plats as the "Common Area Parcel" and the Open Space Parcel No. 2, all of which are owned in common by the Property Owners and which are subject to the administration and control of the Association through its Board of Directors.

3. Declaration - The term "Declaration" shall mean the Declaration of Covenants, Conditions and Restrictions for the Hoaglund Ranch Historic Planned Unit Development, as approved by Pitkin County, and as amended from time to time.

4. Property Owner - Property Owner or Property Owners refer to the owners in fee of the individual Lots and Units within the Project, all of whom must be approved by and qualify under the regulations and guidelines of the Aspen/Pitkin County Housing Authority. A Property Owner may also be referred to as a Member or Owner herein.

When recorded return to:
Neiley & Alder
201 North Mill Street, Suite 102
Aspen, CO 81611

ARTICLE II

Membership, Voting, Majority of Owners, Quorum, Proxies

1. Annual Meetings. The annual meetings of Members for the election of directors to succeed those whose terms expire and for the transaction of such other business as may come before the meeting shall be held in each year in the month of December, and at a place and time set by the Board of Directors.

2. Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called at any time by the President or Secretary upon the request (which shall state the purpose or purposes therefor) of a majority of the Board of Directors or by the Owners of not less than thirty percent (30%) of the votes in the Association. Business transacted at any special meeting of the Members shall be limited to the purpose or purposes stated in the notice.

3. Place of Meeting. Meetings of Members shall be held at such place or places, within Pitkin County, Colorado, as may be designated from time to time by the Board of Directors. Meetings may be conducted by telephone conference call.

4. Notice of Meetings. Except as otherwise provided by statute, notice of each meeting of Members, whether annual or special, shall be given not less than ten (10) nor more than fifty (50) days prior thereto to each Member entitled to vote thereat by delivering written or printed notice thereof to such Member personally or by depositing the same in the United States mail, postage prepaid, directed to the Member at his or her address as it appears on the books of the Association. The notice of all meetings shall state the place, day and hour thereof. The notice of a special meeting shall, in addition, state the purposes thereof.

5. Members. Except as is otherwise provided in these Bylaws, ownership of a Lot or Unit in the Project is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Lot or Unit shall automatically become a Member of this Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot or Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Property Owners have, either through the Board of Directors of the Association or directly, against such former Owner and Member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

6. Voting. Voting shall be based upon ownership of a Lot or Unit within the Project with each single-family Lot entitled to one (1) vote and each of the Units located on the duplex Lots (Lots 7, 10 and 11) entitled to one (1) vote per unit. Cumulative voting is prohibited. There are twelve (12) total votes allocated to the Lots and Units in the Project; one (1) vote for each of the single-family Lots (Lots 3, 4, 5, 6, 8 and 9) and one (1) vote for each of the Units on the duplex Lots (Lots 7, 10 and 11).

7. Majority of Property Owners. As used in these Bylaws the term "majority of Property Owners" shall mean those Owners of more than fifty percent (50%) of the Lots and/or Units.

8. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of Property Owners shall constitute a quorum. An affirmative vote of a majority of the votes entitled to be cast at a meeting, determined by the presence of the voters or by proxy, shall be required to transact business.

9. Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed and acknowledged. Proxies must be filed with the Association at or before the appointed time of each meeting.

10. Organization. The President or Vice-President shall call meetings of Members to order and act as chairman of such meetings. In the absence of said officers, any Member entitled to vote thereat, or any proxy of any such Member, may call the meeting to order and a chairman shall be elected by a majority of the Members entitled to vote thereat. In the absence of the Secretary of the Association, any person appointed by the chairman shall act as secretary of such meetings.

11. Agenda and Procedure. The Board of Directors shall have the responsibility of establishing an agenda for each meeting of Members, subject to the rights of Members to raise matters for consideration which may otherwise properly be brought before the meeting although not included within the agenda. The chairman shall be charged with the orderly conduct of all meetings of Members; provided, however, in the event of any difference in opinion with respect to the proper course of action which cannot be resolved by reference to statute, the Articles of Incorporation or these Bylaws, Robert's Rules of Order (as last revised) shall govern the disposition of the matter. In general, the order of business shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and/or disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Election of Directors;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

12. Adjournment. When a meeting is for any reason adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting any business may be transacted which might have been transacted at the original meeting.

ARTICLE III

Obligations of Owners

1. Assessments. Except as otherwise provided in the Declaration, all Property Owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses, and payment thereof shall be made not later than on the fifteenth (15th) day following the mailing of the quarterly statement to the registered mailing address of the Property Owner. The assessments shall be made on each Property Owner in an amount equal to one-twelfth (1/12) of the total amount of the assessment. A Member shall not 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 unless he or she shall have fully paid all assessments made or levied against him or her and the Lot or Unit owned by him or her.

2. General.

(a) Each Owner shall strictly comply with the provisions of the Declaration.

(b) Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was established.

(c) Any amounts chargeable to an Owner under these Bylaws, the Declaration, or the rules adopted by the Board, may be assessed as a lien against the Lot or Unit of such Owner.

3. Use of Common Areas. Each Owner may use the Common Areas in accordance with the purposes for which they are intended so long as this use does not hinder or encroach on the lawful rights of the Owners, and subject to the provisions of the Declaration, Articles of Incorporation, and the rules and regulations established by the Board as provided in paragraph 4 below.

4. Rules and Regulations. In addition to those set forth in the Declaration, the Board of Directors reserves the power to establish, make and enforce compliance with such additional 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.

5. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance on his or her Lot or Unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his or her Lot or Unit, and such notice shall be given in writing immediately after the Owner has knowledge thereof.

6. Maintenance and Repair.

(a) Every Owner must perform promptly, at their own expense, all maintenance and repair work to their own Lot and the improvements thereon or Unit which, if omitted, would affect the appearance of or the aesthetic integrity of part or all of the Project; and

(b) An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any Common Area damaged by his or her negligence or by the negligence of the Owner's tenants, agents or guests.

7. Right of Entry.

(a) Each Owner shall and does grant to the Association, or to any other person authorized by the Board of Directors the right enter their Lot or Unit in case of any emergency originating in or threatening their Lot or Unit, whether the Owner is present at the time or not.

(b) An Owner shall permit the Association, or its representatives, to enter their Lot or Unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utilities services which, if not performed, would affect the use of other Lots or Units; provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of emergency, such right of entry shall be immediate.

ARTICLE IV

Board of Directors

1. Election and Tenure. The business and affairs of the Association shall be managed by a Board of Directors who shall be elected at the annual meetings of Members by a majority vote. Each Director shall be elected to serve and to hold office until the next succeeding annual meeting and until his or her successor shall be elected and shall qualify, or until his or her earlier death, resignation or removal.

2. Number and Qualification. The affairs of the Association will be managed by a Board consisting of the number of Directors as shall be determined by the Members, but no more than seven. In the absence of a determination, the Board shall consist of three (3) Directors. The Members of the Board of Directors must be Members of the Association and residents of the Project.

3. Meetings. As soon as practicable after each annual election of directors, the Board of Directors shall meet for the purpose of selection of a Chairman of the Board, election of officers and the transaction of any other business.

4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time or times as may be determined by the Board of Directors and specified in the notice of such meeting.

5. Special Meetings. Special meetings of the Board of Directors may be called by any Director or by the President.

6. Place of Meetings. Any meeting of the Board of Directors may be held at such place or places within the State of Colorado as shall from time to time be determined by the Board of Directors or fixed by the Chairman of the Board and as shall be designated in the notice of the meeting. Meetings may be conducted by conference call.

7. Notice of Meetings. Notice of each meeting of the Directors, whether organizational, regular or special, shall be given to each Director. If such notice is given either (a) by delivering written or printed notice to a Director personally or (b) by telephone personally to such Director, it shall be so given at least two (2) days prior to the meeting. If such notice is given either (a) by depositing a written or printed notice in the United States mail, postage prepaid, or (b) by transmitting at his or her residence or place of business, it shall be so given at least four (4) days prior to the meeting. The notice of all meetings shall state the place, date and hour thereof, but need not, except for special meetings, state the purpose or purposes thereof.

8. Quorum. A majority of the number of Directors fixed by paragraph 2 of this Article shall constitute a quorum at all meetings of the Board of Directors, and the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum at any such meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice, other than announcement at the meeting, until a quorum shall be present.

9. Organization, Agenda and Procedure. The Chairman of the Board or in his or her absence any Director chosen by a majority of the Directors present shall act as chairman of the meetings of the Board of Directors. In the absence of the Secretary, any person appointed by the chairman shall act as secretary of such meetings. The agenda of and procedure for such meetings shall be determined by the Board of Directors.

10. Resignation. Any Director of the Association may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the Chairman of the Board, the President, any Vice-President or Secretary of the Association. Such resignation shall take effect at 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.

11. Removal. Except as otherwise provided in the Articles of Incorporation or in these Bylaws, any Director may be removed, either with or without cause, at any time, by the affirmative vote of a majority of the Property Owners entitled to vote for the election of Directors of the Association given at a special meeting of the Members called and held for such purpose. If the Members at such meeting fail to fill such vacancy, the vacancy in the Board of Directors caused by any such removal shall be filled by the Board of Directors as provided in paragraph 12 of this Article.

12. Vacancies. Except as provided in paragraph 11 of this Article, any vacancy occurring for any reason in the Board of Directors may be filled by the affirmative vote of a majority

of the Directors then in office, though less than a quorum of the Board of Directors or by an election at an annual meeting or at a special meeting of Members called for that purpose. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office and shall hold office until the expiration of such term and until his or her successor shall be elected and shall qualify or until his or her earlier death, resignation or removal. A Director chosen to fill a position resulting from an increase in the number of Directors shall hold office until the next annual meeting of Members and until his or her successor shall be elected and shall qualify, or until his or her earlier death, resignation or removal.

13. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, which shall include but shall not be limited to the following, all of which shall be done for and in behalf of the Property Owners:

(a) With the assistance of the Managing Agent, if any, to prepare, according to generally accepted accounting principles, a budget for the Association at least annually, in order to determine the amount of common expenses payable by the Property Owners to meet the common expenses of the Project. To allocate and assess such common charges among the Property Owners according to their respective common ownership interests in and to the Common Areas. To cause the Association to provide for, among other things, the following services to be paid for out of the regular assessments (or special assessments, if necessary): the maintenance, repair, operation, additions, alterations and improvements of and to the Common Areas, including expenses of management; insurance, including coverage relative to the Common Areas; legal and accounting services relative to the Common Areas and the Association; snow removal; and other services deemed necessary by the Board of Directors for the proper maintenance of the Common Areas and operation of the Association. By majority vote of the Board of Directors, to adjust, to decrease or increase the amount of the assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds and reserve (for deferred maintenance and for replacement) to the Owners at the end of each operating year. To levy and collect regular and special assessments as permitted by the Declaration or by law. Within thirty (30) days after adoption of any proposed budget for the Association, the Board of directors shall mail, by ordinary, first class mail, or otherwise deliver a summary of the budget to all Property Owners;

(b) To collect delinquent assessments (by and through the Managing Agent, if any) by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration, these Bylaws or as permitted by law. To enforce a late charge of a reasonable amount and to collect interest at the rate specified in the Declaration in connection with assessments remaining unpaid more than fifteen (15) days from the due date for payment thereof, together with all expenses, including attorney fees incurred;

(c) To maintain the Common Areas; to make or cause to be made repairs, replacements, additions, alterations and improvements to the Common Areas consistent with the best interests of the Property Owners. Such duties may be delegated to the Managing Agent, if any. To cause additional improvements to be made as part of the Common Areas as may be approved by the Members;

(d) To employ for the Association a Managing Agent who shall have and exercise all of those powers granted to it by the Board of Directors, but not those powers which the Board of Directors, by virtue of the Acts, may not delegate. To hire and discharge employees, independent contractors and agents other than Managing Agent.

14. Managing Agent. The Board of Directors may employ for the Association a Managing Agent at a compensation established by the Board of Directors, to perform such duties and services specified in the preceding section of these Bylaws, and the specific power to delegate such duties is hereby reserved to the Board of Directors; however, no such delegation shall relieve the Board of Directors of its responsibilities under the Declaration and these Bylaws.

15. No Compensation to Members. Elected Members of the Board of Directors shall receive no compensation for their services as such, unless approved by a majority vote of the Owners.

ARTICLE V

Waiver of Notice and Action by Consent

1. Waiver of Notice. Whenever any notice is required to be given under the provisions of a statute or of the Articles of Incorporation, or by these Bylaws, a waiver thereof either in writing signed by the person entitled to said notice (or such person's agent or attorney-in-fact thereunto authorized) or by telegraph, cable or any other available method, whether before, at or after the time stated therein, or the appearance of such person or persons at such meeting in person or by proxy (except for the sole purpose of challenging the propriety of the meeting), shall be deemed equivalent to such notice.

2. Action Without a Meeting. Any action required or which may be taken at a meeting of the Directors, Members or members of any executive committee of the Association, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or Members, as the case may be, entitled to vote with respect to the subject matter thereof.

ARTICLE VI

Officers

1. Election and Tenure. The Board of Directors annually shall elect a President, a Secretary and a Treasurer. The Board of Directors may also elect or appoint such Vice-Presidents, other officers and assistant officers as may be determined by the Board of Directors. The Board of Directors may delegate to any such officer the power to appoint or remove subordinate officers, agents or employees. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary. Each officer so elected or appointed shall continue in office until his or her successor shall be elected or appointed and shall qualify, or until his or her earlier death, resignation or removal.

2. Resignation, Removal and Vacancies. Any officer may resign at any time by giving written notice thereof to the Board of Directors or to the President. Such resignation shall take effect on the date specified therein and no acceptance of the same shall be necessary to render the same effective. Any officer may at any time be removed by the affirmative vote of a majority of the number of Directors specified in these Bylaws, or by an executive committee thereunto duly authorized. If any office becomes vacant for any reason, the vacancy may be filled by the Board of Directors. Any officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office and shall continue in office until his or her successor shall be elected or appointed and shall qualify, or until his or her earlier death, resignation or removal.

3. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Members and shall have general and active management of the business of the Association. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect and in general shall perform all duties as may from time to time be assigned to him or her by the Board of Directors.

4. Secretary. The Secretary shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Directors or the President. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of Secretary, including without limitation the duty and power to give notice of all meetings of Members and the Board of Directors, to attend such meetings and keep a record of the proceedings, and to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents, the execution of which on behalf of the Association is authorized by these Bylaws or by the action of the Board of Directors.

5. Treasurer. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him or her by the Board of Directors or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of Treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Association, to deposit funds of the Association in depositories selected in accordance with these Bylaws, disburse such funds as ordered by the Board of Directors, making proper accounts thereof, and shall render as required by the Board of Directors statements of all such transactions and of the financial condition of the Association.

6. Bond of Officers. The Board of Directors may require any officer to give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for such terms and conditions as the Board of Directors may specify, including without limitation for the faithful performance of his or her duties and for the restoration to the Association of all property in his or her possession or under his or her control belonging to the Association.

ARTICLE VII

Indemnification

1. Third Party Actions. The Association shall indemnify 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 Association) by reason of the fact that he or she is or was a Director, officer or employee of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of a Association, partnership, joint venture, trust or agent of any other Association, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association or with respect to the criminal action or proceeding, that the person did not have reasonable cause to believe that his or her conduct was lawful.

2. Derivative Actions. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the Association, or 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 expenses (including attorney fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Association, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudications of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

3. Extent of Indemnification. To the extent that a Director, officer, employee or agent of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorney fees) actually and reasonably incurred by him or her in connection therewith.

4. Determination. Any indemnification (unless ordered by a court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the officer, Director and employee or agent is proper in the circumstances, because he or she has met the applicable standard of conduct set forth herein. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such an action, suit or proceeding, or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or

(c) by the affirmative vote of the holders of a majority of the shares of stock entitled to vote and represented at a meeting called for such purpose.

5. Payment in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association as authorized in this Article.

6. Insurance. The Board of Directors may exercise the Association's power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Association, or 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 or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability hereunder or otherwise.

7. Other Coverage. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, agreement, vote of Members or disinterested Directors, the Colorado Nonprofit Corporation Act, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs and personal representatives of such a persons.

ARTICLE VIII

Executions of Instruments; Loans; Checks and Endorsements; Deposits

1. Execution of Instruments. The President or Vice-President shall have power to execute and deliver on behalf of and in the name of the Association any instrument requiring the signature of an officer of the Association, except as otherwise provided in these Bylaws or where the execution and delivery thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association. Unless authorized to do so by these Bylaws or by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association in any way, to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

2. Loans. No loan shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued, endorsed or accepted in its name, unless authorized by the Board of Directors so to act. Such authority may be general or confined to specific instances. When so authorized, the officer or officers thereunto authorized may effect loans at any time for the Association from any bank or other entity and for such loans may execute and deliver promissory notes or other evidences of indebtedness of the Association, and when authorized as aforesaid, as security for the payment of any and all loans (and any obligations incident thereto) of the

Association, may mortgage, pledge or otherwise encumber any real or personal property, or any interest therein, at any time owned or held by the Association, and to that end may execute and deliver such instruments as may be necessary or proper in the premises.

3. Checks and Endorsements. All checks, drafts or other orders for the payment of money, obligations, notes or other evidences of indebtedness, bills of lading, warehouse receipts, shall be signed or endorsed by such officers or agents of the Association as shall from time to time be determined by resolution of the Board of Directors, which resolutions may provide for the use of facsimile signatures.

4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the Association's credit in such banks or other depositories as shall from time to time be determined by resolution of the Board of Directors, which resolution may specify the officers or agents of the Association who shall have the power, and the manner in which such power shall be exercised, to make such deposits and to endorse, assign and deliver for collection and deposit checks, drafts and other orders for the payment of money payable to the Association or its order.

ARTICLE IX

Corporate Books and Records

1. Corporate Books. The books and records of the Association may be kept within the State of Colorado at such place or places as may be from time to time designated by the Board of Directors.

2. Addresses of Members. Each Member shall furnish to the Secretary of the Association an address to which notices from the Association, including notices of meetings, may be directed and if any Member shall fail so to designate an address, it shall be sufficient for any such notice to be directed to such Member at his or her last known address.

3. Audits of Books and Accounts. The Association's books and accounts shall be audited at such times and by such auditors as shall be specified and designated by resolution of the Board of Directors.

ARTICLE X

Holders of Security Interests

1. Notice to Association. An Owner who mortgages his or her Lot or Unit shall notify the Association through the Managing Agent, if any, or the President of the Association, giving the name and address of his or her mortgagee.

2. Notice of Unpaid Assessments. The Association shall, at the written request of the first mortgagee of a Lot or Unit, report any unpaid assessments due from the Owner of such Lot or Unit.

3. Notice of Default. When giving notice to a Property Owner of a default in paying assessments or other default, the Board shall send a copy of such notice to each holder of a security interest covering such Lot or Unit whose name and address has theretofore been furnished to the Board of assessments or other default.

4. Holders of Security Interests. Owners shall have the right to irrevocably constitute and appoint the holder of a security interest as their true and lawful attorney to vote their membership interest in this Association and to vest in such beneficiary or its nominee any and all rights, privileges and powers that they have as Owners under the Certificate of Incorporation and Bylaws of this Association or by virtue of the Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary or mortgagee with the Secretary-Treasurer of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect, refusal of the Association, the Board, the Managing Agent, or the Property Owners to carry out their duties as set forth in the Declaration. A release of the security interest shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve Owners, as mortgagors, of their duties and obligations as Owners or to impose upon the beneficiary of the deed of trust or mortgage the duties and obligations of an Owner.

ARTICLE XI

Unpaid Common Expenses - Ascertaining Liability

The Association shall furnish to a Property Owner or such Owner's designee or to a holder of a security interest or its designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent, a statement setting forth the amount of unpaid assessments currently levied against such Owner's Lot or Unit. The statement shall be furnished within twenty (20) days after receipt of the request and is binding on the Association, the Board of Directors, and every Property Owner. If no statement is furnished to the Property Owner or holder of a security interest or their designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party, then the Association shall have no right to assert a priority lien upon the Lot or Unit for unpaid assessments which were due as of the date of the request.

ARTICLE XII

Enforcement

1. Abatement and Enjoinment of Violations by Property Owners. The violation of the Declaration, these Bylaws or any of the rules and regulations adopted by the Board of Directors shall give the Board of Directors or the Managing Agent the right, after notice and an opportunity for a hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws or the Association's Rules and Regulations:

(a) To enter the Lot or Unit or Common Area in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting

Property Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot or Unit) that is existing and creating a danger to the Common Areas contrary to the intent and meaning of the provisions of the regulations. The Board of Directors shall not be deemed liable for any manner of trespass by this action; and

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuation of any breach and to receive an award of attorneys' fees and costs incurred by the Association in connection therewith.

2. Fine for Violation. Following notice and an opportunity for a hearing, the Board of Directors may levy a fine of up to Fifty Dollars (\$50.00) per day for each day that a violation of the Declaration, Bylaws or rules persists, but this amount shall not exceed that amount necessary to insure compliance with the rule or order of the Board of Directors. If a second violation of a same or similar nature is committed by the same Property Owner within one (1) year, the daily fine may be increased to One Hundred Dollars (\$100.00) per day. Upon a third or subsequent violation within one (1) year, the fine may be increased to Two Hundred Fifty Dollars (\$250.00) per day.

ARTICLE XIII

Working Capital and Reserves

1. Working Capital. A working capital fund may be established in the amount of up to two (2) months' regularly budgeted initial common expense assessments for all Lots and Units.

2. Reserves. As a part of the adoption of the regular budget, the Board of Directors may include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Areas that it is obligated to maintain, based upon the Project's age, remaining life and the quantity and replacement cost of major Common Area improvements.

ARTICLE XIV

Miscellaneous

1. Business Offices. The Association may have one or more offices at such place within the State of Colorado as the Board of Directors may from time to time determine or as the business of the Association may require.

2. Registered Office. The registered office of the Association shall be as set forth in the Articles of Incorporation unless changed as provided by the Colorado Nonprofit Corporation Act.

3. Declaration Controls. If any of these Bylaws conflict with any provision of the Declaration (and assuming they do not conflict with the Code), the Declaration shall control.

4. Fiscal Year. The fiscal year of the Association shall be such year as shall be established by the Board of Directors. In the absence of such a decision, the fiscal year shall be the calendar year.

5. Emergency Bylaws. The Board of Directors may adopt emergency Bylaws in accordance with and pursuant to the provisions as set forth in the Colorado Nonprofit Corporation Act from time to time.

6. Recreational Facilities. Any recreational facilities of the Project shall be available to all Property Owners. Fees or charges in conjunction with the use, maintenance and upkeep of these facilities shall be included within the annual assessment.

7. Amendments. All Bylaws of the Association shall be subject to alteration, amendment or repeal, and new Bylaws may be added, by the affirmative vote of a majority of a quorum of the Members of the Board of Directors present in person or by proxy at any regular or special meeting.

8. Notices. All notices to the Association or the Board of Directors shall be delivered to the office of the Managing Agent, or, if there is no Managing Agent, to the office of the Association, or to such other address as the Board of Directors may designate by written notice to all Property Owners and to all holders of security interests in the Units who have notified the Association that they hold a security interest in a Lot or Unit. Except as otherwise provided, all notices to any Property Owner shall be sent to the Property Owner's address as it appears in the records of the Association. All notices to holders of security interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

IN WITNESS WHEREOF, these Bylaws were adopted by the unanimous vote of the Board of Directors of the Corporation at a meeting held on the 11th day of August, 2004.

Cherie Booher
CHERIE BOOHER
a/k/a CHERIE L. BOOHER

Henry E Booher Jr.
HENRY BOOHER
a/k/a HENRY EDWARD BOOHER, JR.