

BYLAWS

OF

THE QUAILRIDGE TOWNHOME CONDOMINIUMS ASSOCIATION, INC.

BYLAWS
OF
THE QUAILRIDGE TOWNHOME CONDOMINIUMS ASSOCIATION, INC.

Table of Contents

ARTICLE I - OBJECT

1.01	Association	1
1.02	Purpose	1
1.03	Owners Subject to Bylaws	1

ARTICLE II - OFFICES

2.01	Registered Office and Agent	1
------	---------------------------------------	---

ARTICLE III - MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM

3.01	Membership	1
3.02	Voting	2
3.03	Quorum	2
3.04	Owner's Address for Notices	2

ARTICLE IV - MEETINGS

4.01	Place of Meeting	3
4.02	Annual Meetings	3
4.03	Subsequent Annual Meetings	3
4.04	Special Meetings	3
4.05	Notice of Meetings	4
4.06	Waiver of Notice	4
4.07	Organization	4
4.08	Adjourned Meetings	4
4.09	Proxies	4
4.10	Action by Members Without a Meeting	5
4.11	Order of Business	5
4.12	Rules at Meetings	5

ARTICLE V - BOARD OF DIRECTORS

5.01	Association Responsibilities	5
5.02	Number and Qualification	5
5.03	Power and Duties	6
5.04	Specific Powers and Duties	6
5.05	Managing Agent	7
5.06	Election and Term of Office	7

5.07 Vacancies 7
5.08 Removal of Directors 7
5.09 Resignations 7
5.10 Organizational Meeting 10
5.11 Regular Meetings 10
5.12 Special Meetings 10
5.13 Notice 10
5.14 Waiver of Notice 10
5.15 Board of Directors Quorum. 10
5.16 Action by Directors or Committee Without Meeting 11
5.17 Compensation 11

ARTICLE VI - COMMITTEES

6.01 Committees 11

ARTICLE VII - OFFICERS

7.01 Designation. 11
7.02 Election of Officers 11
7.03 Term of Office 11
7.04 Removal of Officers and Other Personnel. 12
7.05 Resignation. 12
7.06 President. 12
7.07 Vice President 12
7.08 Secretary. 12
7.09 Treasurer. 13
7.10 Surety Bonds 13

ARTICLE VIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.01 Indemnification. 13

ARTICLE IX - ASSESSMENTS

9.01 Assessments. 14

ARTICLE X - MISCELLANEOUS

10.01 Fiscal Year. 14
10.02 Seal 14
10.03 Books and Records. 14
10.04 Waivers of Notice. 15
10.05 Amendments 15

10.06	Limitations on Amendments.15
10.07	Document Conflict.15
10.08	Notice to Association.15
10.09	Proof of Ownership15
10.10	Character of Association15
10.11	Conveyances and Encumbrances16

BYLAWS
OF
THE QUAILRIDGE TOWNHOME CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I
Object

1.01 Association. The Quailridge Townhome Condominiums Association, Inc. (the "Association") is a nonprofit corporation organized under the Colorado Nonprofit Corporation Act.

1.02 Purpose. The purpose for which the Association is formed is to govern the Common Elements of the Quailridge Townhome Condominiums situated in the County of Jefferson, State of Colorado, hereinafter referred to as the "Project", and which property is subject to a recorded Map and Declaration of Covenants, Conditions and Restrictions of the Quailridge Townhome Condominiums, hereinafter referred to as the "Project Declaration" or the "Declaration." Terms which are defined in the Declaration shall have the same meaning herein, unless otherwise defined herein.

1.03 Owners Subject to Bylaws. All present or future Owners, tenants, future tenants, or any other persons that might use, in any matter, the facilities of the Condominium Project or the Common Elements of the Project are subject to the terms and provisions set forth in these Bylaws. The mere acquisition or rental of a Condominium Unit will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II
Offices

2.01 Registered Office and Agent. The registered office and agent of the Association in Colorado shall be as designated by the Board from time to time.

ARTICLE III
Membership, Voting, Majority of Owners, Quorum

3.01 Membership. Ownership of a Condominium Unit is required in order to qualify for membership in this Association. Membership in the Association shall arise automatically when any Person becomes an Owner of a Condominium Unit. Such membership shall terminate without any formal Association action whenever such Person ceases to own a Condominium Unit, but such termination shall not relieve or

release any such former Owner from any liability or obligation to the Association, including unpaid or due assessments, or impair any rights or remedies which the Association may have against such former Owner arising out of or in any way connected with ownership of a Condominium Unit and membership in the Association. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to the Owners. Such membership card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon shall terminate.

3.02 Voting. All members shall be entitled to vote on all matters, with one vote per Condominium Unit. Except as otherwise specifically provided by the Declaration or by the Articles of Incorporation or these Bylaws or by law, all matters coming before any meeting of members shall be decided by the majority of the votes validly cast at such meeting at which a quorum is present. The vote upon any question shall be by ballot whenever requested by any person entitled to vote, but, unless such a request is made, voting may be conducted in any way approved at the meeting. If title to any Condominium Unit shall be held by two or more Persons, then each such Person shall be a member of this Association; provided, however, that the voting rights of such Owners shall not be divided but shall be exercised as if the Owner consisted of only one person in accordance with the proxy or other designation made by the Persons constituting such Owner. In no instance shall any Condominium Unit have more than one vote on any questions or issue. The Declarant may exercise the voting rights with respect to Condominium Units owned by it. Cumulative voting in the election of the Board of Directors shall not be permitted.

3.03 Quorum. Except as is otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of thirty percent (30%) of the votes entitled to be cast at any meeting shall constitute a quorum.

3.04 Owner's Address for Notices. Unless an Owner shall have notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Owner or any other written instrument to be given to any Owner, may be mailed to such Owner in a postage prepaid envelope and mailed by first class, registered or certified mail to the address of the Condominium Unit shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular Condominium Unit, then any notice or other written instrument may be addressed to all of such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the

Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

ARTICLE IV Meetings

4.01 Place of Meeting. Meetings so the Association shall be held at such place within the County of Jefferson, State of Colorado as the Board of Directors may determine.

4.02 Annual Meetings. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board of Directors; provided that such meeting shall occur in each year no later than six (6) months after the end of the Association's fiscal year. The first annual meeting shall be called by the initial Board of Directors of the Association. At any such meeting, the Owners may transact such business of the Association as may Properly come before the meeting. At each annual meeting, members of the Board of Directors shall be elected from among the Owners. The Association shall adopt a procedure whereby all terms of the Board members do not expire at the same time. At least one-third (1/3) of such terms will expire annually. Notwithstanding anything to the contrary provided for herein, however, until one hundred twenty (120) days after Declarant has sold seventy-five percent (75%) of the Condominium Units or December 31, 1989, whichever first occurs, the members of the Board of Directors of the Association shall be appointed by Declarant, its successors or assigns, unless such right is relinquished earlier.

4.03 Subsequent Annual Meetings. Annual meetings of the members, subsequent to the first annual meeting, shall be in the same month of each Year as the month in which the first annual meeting was held, the specific date thereof to be designated by the Board from time to time. Failure to hold any annual meeting of the Members shall not work a forfeiture or dissolution of the Association.

4.04 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as required by the President, by resolution of the Board of Directors or by petition of Owners representing an aggregate ownership interest of at least one-fourth (1/4) of all the votes of members who are entitled to vote. The notice of any such special meeting shall state the time and place of such meeting and the specific purpose thereof. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

4.05 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 fifteen (15) days before such meeting to each member entitled to vote, addressed to the address of the Condominium Unit owned by such Owner as shown in the Association's records, as provided in the Declaration. 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. Upon request, any Mortgagee shall be entitled to receive written notice of any or all member's meetings and shall be permitted to designate a representative to attend all such meetings.

4.06 Waiver of Notice. Whenever any notice is required to be given to any member under the provisions of any statute or under the provisions of the Declaration, Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether at or after the time stated therein, shall be equivalent to the giving of such notice.

4.07 Organization. Meetings of the members shall be presided over by the President, or if the President is not present, by a Vice President, or if the President or a Vice President is not present, by a chairman pro tempore to be chosen by a majority of the members entitled to vote who are present in person or by proxy at the meeting. The Secretary of the Association, or in his or her absence, an Assistant Secretary, shall act as secretary of the meeting, or if neither the Secretary nor any Assistant Secretary is present, by a secretary pro tempore to be chosen by a majority of the members entitled to vote who are present in Person or by proxy at the meeting.

4.08 Adjourned Meetings. If any meeting of Owners cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time for periods of no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meetings as originally called may be transacted without further notice, so long as a quorum is present.

4.09 Proxies. The right to vote by proxy shall exist only if the instrument authorizing such proxy to act shall have been executed in writing by the member himself or herself or by his or her attorney-in-fact duly authorized in writing. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting. Every proxy shall be

revocable and shall automatically cease upon conveyance by the member of his or her Condominium Unit.

4.10 Action by Members Without a Meeting. Any action required to be taken at a meeting of the members or any action which may be taken at such a meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the members of the Association. A consent shall be sufficient for this Section if it is executed in counterparts, in which event all of such counterparts, when taken together, shall constitute one and the same consent.

4.11 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Directors (annual meetings only);
- (g) Unfinished business; and
- (h) New business.

4.12 Rules at Meetings. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Owners. In the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE V Board of Directors

5.01 Association Responsibilities. The Owner will constitute the Association, which will have the responsibility of administering the Condominium Project through a Board of Directors.

5.02 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons elected from among the Owners. In the case of Declarant, or other corporate or partnership Owners, the

officers, directors, employees or agents of such entities may be members of the Board. The number of directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to less than three (3) nor increased to more than ten (10). Until the first meeting of the Association the Board of Directors shall consist of those individuals named as such in the Articles of Incorporation of the Association.

5.03 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and the operation and maintenance of a first class residential Condominium Project. The Board of Directors may do all such acts and things as are not prohibited by law, the Articles, these Bylaws or the Project Declaration.

5.04 Specific Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

(a) to administer and enforce covenants, restrictions, conditions, easements, uses, limitations, obligations and other provisions affecting the Property as set forth in the Declaration, the Articles of Incorporation and these Bylaws;

(b) to periodically fix, determine, levy, collect and enforce the assessments to be paid by each of the Owners for the purpose of paying the costs, expenses and any losses of the Association, or the costs and expenses of the Association incurred in exercising its powers or in the performance of its functions, and to adjust, decrease or increase the amount of the assessments, refund any excess assessments to the Owners or to credit any excess assessments against any Owner's next succeeding assessment period. To fix, determine, levy, collect and enforce special assessments whenever in the opinion of the Board it is necessary to do so in order to meet additional capital expenses, or because of emergencies. All special assessments shall be in statement form and shall set forth in detail the various expenses or emergency for which the special assessment is being made;

(c) to collect delinquent assessments, liquidated damages, late charges, costs, attorneys fees, and other monies by suit or otherwise, to enjoin or seek damages from an Owner all as are provided in the Declaration, the Articles of Incorporation and these Bylaws;

(d) to keep in good order, condition and repair all of the Common Elements and all items of personal property, if any, used in the enjoyment of the entire Project;

(e) to engage in activities which will actively foster, promote and advance the interests of the Owners;

(f) to obtain and maintain, to the extent obtainable, all policies of insurance required by the Declaration;

(g) to protect and defend the Condominium Project and the Common Elements from loss and damage by suit or otherwise;

(h) to acquire (by gift, purchase or otherwise), own, hold, improve, encumber, manage, control, operate, repair, maintain, build upon, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association, subject to the Declaration, the Articles of Incorporation and these Bylaws;

(i) to pay all expenses in connection with the performance of its purposes and powers and all office, legal, accounting and other expenses incident to the conduct of the business of the Association, specifically including all licenses, taxes, charges, fees, assessments or governmental charges levied or imposed against the property of the Association;

(j) to borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration, the Articles of Incorporation or these Bylaws and to execute all such instruments in evidence of such indebtedness as the Board of Directors may deem necessary or desirable;

(k) to enter into contracts within the scope of the Association's duties and powers; provided, however, that any agreement for professional management of the Project, or any other contract providing for services of the Declarant may not exceed one (1) year, and any such agreement must provide for termination by either party with or without cause and without payment of a termination fee on no more than thirty (30) days' written notice; and to do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private;

(l) to establish bank accounts which are interest bearing or non-interest bearing, as may be deemed advisable by the Board of Directors;

(m) to act as agent, trustee or other representative of other corporations, firms and individuals and as such to advance the business or ownership interests of such corporation, firms or individuals;

(n) to Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes (subject to the prior written approval of the Veterans Administration after the successor regime has been established and construction completed) or to annex additional property; provided, however, that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of the members;

(o) to keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization, and upon the vote of Owners representing a majority of the Owners entitled to vote, to cause a complete audit to be made of the books and records by a competent certified public accountant;

(p) to prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement;

(q) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;

(r) to designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements;

(s) to draft, consider, adopt, promulgate, publish, implement and enforce rules and regulations, and amendments thereto, governing the Project, the use of the Common Elements and the facilities thereon, and to govern the personal conduct of the members and their guests thereon, and to establish and enforce penalties for the infraction thereof;

(t) to suspend the voting rights of an Owner for failure to comply with the Declaration, the Articles of Incorporation, these Bylaws or the rules and regulations of the Association;

(u) to adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of this Association; Provided, however, that such Bylaws may not be inconsistent with or

contrary to any provisions of the Articles of Incorporation or the Declaration; and

(v) in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operation of the Project.

5.05 Managing Agent. The Board of Directors may employ, or may direct the President to employ a Managing Agent (for compensation established by the Board of Directors), to perform such duties and services as the Board shall authorize. The Board of Directors may delegate any of the powers and duties granted to it, but notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these Bylaws.

5.06 Election and Term of Office. Members of the Board of Directors shall be elected by a majority of the members constituting a quorum as heretofore provided. The term of office of at least one third (1/3) of the members of the Board shall expire annually. At each annual meeting the members shall elect the same number of directors whose terms are expiring at the time of each election for the like term of that of the director whose term has expired.

5.07 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by election by the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is duly elected and qualified at the next annual meeting of the Association.

5.08 Removal of Directors. At any annual or special meeting of the Association, duly called, any one or more of the directors may be removed with or without cause by the vote of Owners representing a majority of the votes then entitled to vote at an election of directors, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.09 Resignations. A director may resign at any time by mailing or delivering or by transmitting by telegraph or cable written notice of his or her resignation to the Board at the Association's principal office or its registered office in the State of Colorado or to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time specified therein or if no time be specified, then at the time of receipt thereof.

5.10 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within thirty (30) days of such election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order to convene such meeting, providing a majority of the new Board were present at such election meeting.

5.11 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held each year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.12 Special Meetings. Special meetings of the Board of Directors may be called by the President, on his own initiative, on three (3) days notice to each director, given personally, or by mail, telephone or telegraph, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary on receipt of a written request to call such a special meeting from at least two (2) directors.

5.13 Notice. All notices to a director required by this Article V shall be addressed to him or her at his or her residence or usual place of business and may be given by mail, telegram, cable or by personal delivery. No notice need be given of any adjourned meeting.

5.14 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.15 Board of Directors Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally

called may be transacted without further notice, so long as a quorum is present.

5.16 Action by Directors or Committee Without Meeting. Any action required to be taken at a meeting of the directors or any committee thereof or any action which may be taken at such a meeting, 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 of the committee, as the case may be, entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Board or of the committee, as the case may be. A consent shall be sufficient for this Section if it is executed in counterparts, in which event all of such counterparts, when taken together shall constitute one and the same consent.

5.17 Compensation. The members of the Board of Directors shall serve without salary or compensation.

ARTICLE VI Committees

6.01 Committees. The Board may appoint executive committees as it may deem appropriate in carrying out its purposes.

ARTICLE VII Officers

7.01 Designation. The officers of the Association shall be a President, a Vice-President or Vice-Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. Further, the Board of Directors may, in its discretion, elect an Assistant Secretary and/or an Assistant Treasurer.

7.02 Election of Officers. All officers, except the initial officers, must be members of the Association and the President must be elected from among the Board of Directors. One person may hold concurrently the office of Vice-President and Secretary or Vice-President and Treasurer, but the President shall serve only the office of President.

7.03 Term of Office. The officers of the Association shall be elected annually by the Board at the organizational meeting of each new Board. An officer shall hold office for one year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.04 Removal of Officers and other Personnel. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer or employee of the Association may be removed, either with or without cause, or as necessary for the operation, maintenance, repair and replacement of the Common Elements, and his successor may be elected or appointed at any regular or special meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

7.05 Resignation. Any officer or agent of the Association may resign at any time by giving written notice of his or her resignation to the Board at the Association's principal office or its registered office in the State of Colorado or to the President, the Secretary or any Assistant Secretary of the Association. Any such resignation shall take effect at the time of receipt thereof or at any later time specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.06 President. The President shall be elected from among the Board of Directors and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of a non-profit corporation, including, but not limited to, the power to appoint committees from among the members from time to time as may be deemed appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

7.07 Vice President. The Vice President shall have all of the powers and authority and perform all of the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

7.08 Secretary. The Secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all the meetings of the Association; the Secretary shall have charge of such books and papers such as the Board of Directors may direct; and shall in general perform all of the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and the address of their residences as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of interest in the Common Elements attributable thereto and a description of the Limited Common Elements assigned for exclusive use in connection with such Condominium Unit. Such list shall be open to inspection by

members and other Persons lawfully entitled to inspect the same at reasonable times during regular business hours. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

7.09 Treasurer. The Treasurer shall have responsibility for Association funds, shall keep the financial records and books of account of the Association and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in the name, and to the credit of the Association in such banks or depositories as may from time to time be designated by the Board of Directors. Assistant treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

7.10 Surety Bonds. The Board may require any officer or agent of the Association to execute a bond to the Association in such sum and with such surety or sureties as the Board may determine, conditioned upon the faithful performance of his or her duties to the Association, including responsibility for negligence and for the accounting of any of the Association's Property, funds or securities that may come into his or her hands.

ARTICLE VIII Indemnification of Directors and Officers

8.01 Indemnification. The Association shall indemnify every director and officer, and his or her heirs, executors and administrators against all loss, costs and expenses, including counsel fees, reasonably incurred in connection with any action, suit or Proceeding to which such person may be made a party by reason of being or having been a director or officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be Provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses. Nothing contained in this Section 8.01 shall, however, be deemed to obligate the Association to indemnify any Owner who is or has been a director or officer of the Association with

respect to any duties or obligations assumed or liabilities incurred as an Owner under or by virtue of the Project Declaration, or his ownership of a Condominium Unit, as distinguished from his conduct and activities as an officer or director of the Association.

ARTICLE IX Assessments

9.01 Assessments. As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which may be secured by a continuing lien upon the Condominium Unit against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment shall not be paid within ten (10) days after it shall have become due and payable, then the Association may assess a "late charge" thereon in an amount not exceeding Twenty Dollars (\$20.00) to cover the extra expenses involved in handling such delinquent assessment. If the assessment is not paid when due, the Association may bring an action at law against the member personally obligated to pay the same or foreclose the lien against the Condominium Unit; and late charges, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No member may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Elements or abandonment of his Condominium Unit.

ARTICLE X Miscellaneous

10.01 Fiscal Year. The fiscal year of the Association shall commence on January 1 and terminate on the following December 31st, except that the first fiscal year may begin on the date of incorporation. The Board shall have the right from time to time to select any other fiscal year it deems proper.

10.02 Seal. The Board may adopt a corporate seal of such design as it may deem appropriate from time to time. Any officer or director of the Association shall have the authority to affix the corporate seal of the Association to any document requiring the same.

10.03 Books and Records. Pursuant to Colo. Rev. Stat. 1973, §38-33-107 (as amended), any owner or first Mortgagee may inspect the Association's records of receipts and expenditures, by appointment only during convenient weekday business hours. Upon ten (10) days' notice to the Board of Directors or Managing Agent, if any, and payment of a reasonable fee, not to

exceed Twenty Dollars (\$20.00), any Owner or first Mortgagee of such Owner shall be furnished a statement of Account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

10.04 Waivers of Notice. Whenever any notice is required to be given by law, or under the provisions of the Declaration, Articles of Incorporation or these Bylaws, a waiver thereof in writing, signed by the Person or persons entitled to such notice, whether at or after the time stated therein, shall be deemed equivalent of notice.

10.05 Amendments. These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of members present in person or by proxy; provided, however, that these Bylaws shall at all times comply with the provisions of Colo. Rev. Stat. 1973, §38-33-106 (as amended); and provided, further, that until one hundred twenty (120) days after Declarant has sold seventy-five percent (75%) of the Condominium Units or December 31, 1989, whichever occurs first, all such amendments must first be approved in writing by Declarant.

10.06 Limitation on Amendments. No amendment of the Articles of Incorporation or of these Bylaws shall be contrary to or inconsistent with any provision of the Declaration.

10.07 Document Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws or between the Declaration and the Articles of Incorporation, the Declaration shall control.

10.08 Notice to Association. Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his Condominium Unit. The Association shall maintain such information at the office of the Association.

10.09 Proof of Ownership. Except for those Owners who initially purchase a Condominium Unit from Declarant, every Person becoming an Owner shall immediately furnish to the Board of Directors a photocopy or a certified copy of the recorded instrument vesting in that Person such ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

10.10 Character of Association. This Association is not organized for profit. No member, member of the Board of

Directors, officer or Person for whom the Association may receive any property of funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Board of Directors, officers or members, except upon dissolution of the Association, provided however, (1) that reasonable compensation may be paid to any member, manager, director or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager, director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

10.11 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board of Directors. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or executed by such other Person or Persons to whom such authority may be delegated by the Board.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 10th day of September, 1984.

BOARD OF DIRECTORS

Katherine E. Roberts
Katherine E. Roberts

Mary D. Cole
Mary D. Cole

Dale Boyd
Dale Boyd

Patricia M. Zumbro
Patricia M. Zumbro

Therese M. Gripenburg
Therese M. Gripenburg

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the corporation does hereby certify that the above and foregoing Bylaws are duly adopted by the Directors of said

corporation as the Bylaws of said corporation on the 5th day
of November, 1984, and that they do now constitute the
Bylaws of said Corporation.

Katherine E. Roberts
Katherine E. Roberts,
Secretary