

BYLAWS
OF
THE RIVERWALK EMERALD BUILDING ASSOCIATION

ARTICLE 1
PURPOSES, ASSENT OF MEMBERS, AND DEFINITIONS

Section 1.1. Purposes. The specific purposes for which the Association is formed are (a) to provide for the maintenance, preservation and control of the mixed use condominium project (the "Project") containing both commercial and residential uses, located on that certain tract of real property situated in the County of Eagle, State of Colorado, more fully described in Exhibit A of the Declaration for The Riverwalk Emerald Building, filed for record with the Clerk and Recorder of Eagle County, Colorado, as amended or supplemented from time to time (the "Declaration"); (b) to serve the legitimate interests of the Owners of each of the Residential Units and the Commercial Units (as defined in the Declaration), and (c) to promote the general health, safety and welfare of the Owners, residents, and occupants of the Project.

Section 1.2. Assent. All present or future Owners, tenants, future tenants, or any other persons using the facilities of the Project in any manner are subject to these Bylaws and any rules adopted by the Executive Board pursuant to these Bylaws. The mere acquisition or rental of any of the Condominium Units of the Project or the mere act of occupancy of any of those Units shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

Section 1.3. Definitions. Unless otherwise specified, capitalized terms used in these Bylaws shall have the same meanings in these Bylaws as such terms have in the Declaration.

ARTICLE 2
MEMBERSHIP, VOTING MAJORITY OF
OWNERS, QUORUM, PROXIES

2.1 Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Any person on becoming an Owner of a 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 Unit but such termination shall not relieve or release any such former Owner from any liability or obligation

to the Association 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 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 or certificates to the Owners. Such membership card or certificates shall be surrendered to the Secretary whenever Ownership of the Unit designated thereon shall terminate.

2.2. Voting.

2.2.1 Votes are allocated among the Members as set forth in the Declaration. If title to any Unit shall be held by two (2) 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 (1) person in accordance with the proxy or other designation made by the persons constituting such Owner. If only one (1) of several Owners of a Unit is present at a meeting of the Association, the Owner present is entitled to cast all the votes allocated to the Unit. If more than one (1) of the Owners are present, the votes allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one (1) of the Owners casts the votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

2.3.2 Votes allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual written notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise. The Secretary of the Association must bring all proxies to each meeting where the Owners are entitled to vote and all proxies shall be available for inspection by the officers of the Association and by any Owner in attendance at such meeting. A proxy need not be an Owner. All proxies must be in writing and may be either general or for a particular meeting.

2.2.3 The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation or

business trust. The vote of a partnership may be cast by any general partner of the partnership in the absence of express notice of the designation of a specific person by the partnership. The vote of a limited liability company may be cast by any manager of the limited liability company in the absence of express notice of the designation of a specific person by the limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or business trust Owner is qualified to vote.

2.2.4 Votes allocated to a Unit owned by the Association may not be cast.

2.2.5 The Declarant, its successors or assigns, may exercise the voting rights allocated Units owned by it.

2.2.6 Cumulative voting in the election of the Board of Directors shall not be permitted.

2.3 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence at the beginning of any meeting of the Association in person or by proxy of twenty percent (20%) of the votes entitled to be cast shall constitute a quorum present throughout the meeting.

2.4 Majority Vote. The vote of a majority of the Owners present in person or by proxy at a meeting at which a quorum shall be present based upon their Allocated Interest as set forth in the Declaration shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by the Act or other law.

ARTICLE 3 ASSOCIATION MEETINGS

3.1 Place of Meetings. Meetings of the Owners shall be held at the Common Interest Community or at such place within the State of Colorado as the Executive Board may determine, so long as such alternate location is reasonably convenient to the Owners.

3.2 Annual Meeting. The annual meetings of the Association shall be held each year on such date as shall be selected by the Executive Board 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 Executive Board of the Association and shall be held within

one (1) year of the initial conveyance of a Unit by Declarant. At such meetings, the Owners may transact such business of the Association as may properly come before the meeting. At each annual meeting, members of the Executive Board shall be elected by ballot of the Owners in accordance with the provisions of Article 4 of these Bylaws. The Owners may transact such other business as may properly come before them at these meetings.

3.3 Special Meetings. Special meetings of the Association may be called by the President of the Association, by a majority of the members of the Executive Board, or by Owners having twenty percent (20%) of the votes in the Association.

3.4 Notice of Association Meetings. It shall be the duty of the Secretary of the Association to cause notice of meetings of the Owners of the Association to be hand-delivered or sent prepaid by the United States mail to the mailing address of each Unit or to any other mailing address designated in writing by an Owner, not less than ten (10) nor more than fifty (50) days in advance of a meeting.

3.5 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Association in writing, and the waiver shall be deemed the same as receipt of notice. A waiver of notice, signed by all of the Owners before, at, or after any meeting shall be a valid substitute for notice. The certificate of the Secretary of the Association that notice was properly given as provided in these Bylaws shall be prima facie evidence that such notice was given.

3.6 Adjourned Meetings. If any meeting of the Association cannot be convened because a quorum has not attended or if the business of the meeting cannot be concluded, then in that event, a majority of 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 (1) 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.

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

- 3.7.1 Roll call or check-in procedure;
- 3.7.2 Proof of notice of meeting or waiver of notice;
- 3.7.3 Reading of minutes of preceding meeting;

- 3.7.4 Reports of officers;
- 3.7.5 Reports of committees;
- 3.7.6 Election of members of the Executive Board (when required);
- 3.7.7 Unfinished business;
- 3.7.8 New business; and
- 3.7.9 Adjournment.

3.8 Roles of Meetings. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Owners and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 4 EXECUTIVE BOARD

4.1 Association Responsibilities. The Association has the responsibility to manage the Common Elements and to administer the Common Interest Community, acting through an Executive Board. In the event of any dispute or disagreement between any Owners relating to the Common Interest Community, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Executive Board. The determination of such dispute or disagreement by the Executive Board shall be binding on each and all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Executive Board.

4.2 Number and Qualification. The business and affairs of the Corporation shall be conducted, managed, and controlled by an Executive Board.

4.2.1 The Executive Board shall consist of not less than three (3) nor more than five (5) members, the specified number to be set forth from time to time in these Bylaws, provided, however, that initially and during the period of Declarant Control (as defined in Section 4.2.5 below), the Board shall consist of three (3) members whose initial terms shall be for one (1) year.

4.2.2 Members of the Executive Board shall be elected in the manner determined by these Bylaws (see Section 4.6 below). All persons comprising the Executive Board shall be Owners.

4.2.3 Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in these Bylaws see Section 4.7 and 4.8 below).

4.2.4 If Ownership of any Unit is held by a corporation, limited liability company, trust, or partnership (general or limited), then in that event, officers, directors, agents, representatives, or employees of said entity may serve as a member of the Executive Board.

4.2.5 Notwithstanding anything to the contrary, Declarant has the sole right to appoint and to remove members of the Executive Board and officers of the Association to the extent of and during the period of Declarant Control. Such members and officers need not be Owners, but shall exercise the care required of fiduciaries of the Owners. "Declarant Control" begins with the appointment of the initial Executive Board and continues until the earlier of

(a) the voluntary surrender by Declarant in writing,

(b) sixty (60) days after Declarant conveys seventy-five percent (75%) of the units to Owners other than a Declarant,

(c) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business, or

(d) seven (7) years after the first conveyance of a Unit by Declarant; provided, however, that "Declarant Control" is extinguished sixty (60) days after the following events:

(i) to the extent of twenty-five (25%) of the Members of the Executive Board (minimum of one (1)) after Declarant conveys twenty-five percent (25%) of the Units to Owners other than a Declarant, and

(ii) to the extent of thirty-three and one-third percent (33 1/3%) of the members of the Executive Board after Declarant conveys fifty percent (50%) of the Units to Owners other than a Declarant.

4.2.6 The initial Executive Board shall consist of the following persons, who shall serve for a term of one (1) year, or until his/her successor is duly elected and qualified:

<u>NAME</u>	<u>ADDRESS</u>
William L. Williams	P.O. Box 1768 Edwarde, Colorado 81632
Deborah L. Christner	P.O. Box 1768 Edwarde, Colorado 81632
A. Leonard Nacht	P.O. Box 1768 Edwarde, Colorado 81632

4.3 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential planned community project. The Executive Board may do all such acts and things as are not by law, the Articles, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners directly.

4.4 Other Powers and Duties. The Executive Board shall be empowered and shall have the duties as follows:

4.4.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws:

4.4.2 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Common Interest Community and the Common Elements with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof;

4.4.3 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 Common Interest Community;

4.4.4 To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

4.4.5 To periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners or credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period; to levy and collect Special Assessments in accordance with

the provisions of the Declaration, whenever in the opinion of the Executive Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies;

4.4.6 To impose penalties and collect Delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these Bylaws;

4.4.7 To protect and defend the Common Interest Community from loss and damage by suit or otherwise;

4.4.8 To borrow funds and to give security therefore in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or desirable;

4.4.9 To enter into contracts within the scope of their duties and powers; provided, however, that any agreement entered into while a majority of the members of the Executive Board is appointed by the Declarant, must provide for termination by either party without payment of a termination fee on no less than ninety (90) days notice to the other party;

4.4.10 To establish bank accounts that are interest bearing or non interest bearing, as may be deemed advisable by the Executive Board;

4.4.11 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 to permit inspection thereof as is provided in the Declaration, and, upon the request of any Agency or upon the vote of Owners representing an aggregate Ownership Allocated Interest (as set forth in the Declaration) of at least fifty-one (51%) of the Common Elements, to cause a complete audit to be made of the books and records by a competent certified public accountant;

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

4.4.13 To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Elements;

4.4.14 To suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration;

4.4.15 To impose penalties and fines, pursuant to the terms and provisions of the Rules and Regulations as promulgated by the Executive Board, for any violations of the specific prohibition of truck access to the Project as is expressly provided in Section 10.7 of the Declaration and these Bylaws; and

4.4.16 In general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to govern and operate the Common Interest Community, except as expressly prohibited by the Act.

4.5 Managing Agent. The Executive Board may employ for the Association a Managing Agent (at a reasonable compensation as established by the Executive Board), to perform such duties and services as it shall authorize. The Executive Board may delegate any of the powers and duties granted to it. However, notwithstanding such delegation, the Executive Board shall not be relieved of its responsibilities under the Declaration, the Articles or these Bylaws. If the Executive Board delegates any powers relating to collection, deposit, transfer or disbursement of Association funds, (a) the Managing Agent or others to whom such powers are delegated (collectively, "Delegate") shall maintain all funds and accounts of the Association separate from the funds and accounts of the Delegatee, (b) the Delegatee shall maintain all reserve accounts of each association so managed separate from the operational accounts of each association, (c) fidelity bonds or insurance shall be maintained for or by the Delegates in the amounts set forth in Section 4.14 below, and (d) an annual accounting of Association funds shall be prepared and presented to the Association by the Delegatee, a public accountant or a certified accountant.

4.6 Election and Term of Office. Subject to the Declarant's right to appoint and remove officers and members of the Executive Board during the period of Declarant Control as set forth in the Declaration, these Bylaws and the Articles, members of the Executive Board shall be elected by a majority of the Owners voting at the annual meeting of the members of the Association. The initial term of one (1) director of the Executive Board shall be for one (1) year, the initial term of one (1) director of the Executive Board shall be for two (2) years, and the initial term of one (1) director of the Executive Board shall be for three (3) years and thereafter until such director's successor is duly

elected and qualified, unless such director is removed in the manner hereinafter provided. At each annual meeting the members shall elect the same number of directors whose terms are expiring at the time of each election for a three (3) year term.

4.7 Vacancies. Subject to the Declarant's right to appoint and remove officers and members of the Executive Board during the period of Declarant Control as set forth in the Declaration, these Bylaws and the Articles, vacancies in the Executive Board caused by any reason other than the removal of a director by a vote of the Association shall be fulfilled 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.

4.8 Removal of Directors. At any annual or special meeting of the Association, duly called, any one (1) or more of the directors may be removed (except those appointed by the Declarant), with or without cause, by the vote of Owners representing an aggregate Ownership Allocated Interest (as set forth in the Declaration) of at least sixty-seven (67%) of the members present and entitled to vote at any such meeting 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. Notwithstanding the foregoing, only the Declarant may remove a director appointed by the Declarant.

4.9 Organizational Meeting. The first meeting of a newly elected Executive Board 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 shall be present at such election meeting.

4.10 Regular Meetings. Regular meetings of the Executive Board 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 one (1) such meeting shall be held each year. Notice of regular meetings of the Executive Board shall be given to each director, personally or by mail, telephone, telegraph or telecopy, at least three (3) days prior to the day named for such meeting.

4.11 Special Meetings. Special meetings of the Executive Board may be called by the President, on his/her own initiative, on three (3) days notice to each director, given personally, or by

mail, telephone, telegraph or teletype, which notice shall set forth the time, place and purpose of meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

4.12 Waiver of Notice. Before or at any meeting of the Executive Board, 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/her of the time and place thereof. If all the directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

4.13 Executive Board Quorum. At all meetings of the Executive Board, a quorum is deemed present throughout any meeting if persons entitled to cast fifty percent (50%) of the votes on that board are present at the beginning of the meeting. The act of a majority of directors present at a meeting at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.14 Compensation, Fidelity Bonds. The members of the Executive Board shall serve without salary or compensation. The Executive Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds or insurance in amounts to be determined by the Executive Board. The premiums on such bonds shall be paid by the Association.

ARTICLE 5 OFFICERS

5.1 Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Executive Board. Further, the Executive Board may, in its discretion, elect one (1) or more Vice Presidents, an Assistant Secretary and/or an Assistant Treasurer.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the

organizational meeting of each new Board and shall hold office at the pleasure of the Board. All officers, except officers appointed by Declarant, must be members of the Association and the President must be elected from among the Executive Board. One (1) person may hold concurrently more than one (1) office except that the President may not serve as both President and Secretary. The same person may hold the offices of Secretary and Treasurer.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his/her successor elected at any regular meeting of the Executive Board, or at any special meeting of the Board called for such purpose; provided, however, that only the Declarant may remove an officer appointed by the Declarant.

5.4 President. The President shall be elected from among the Executive Board and shall be the Chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Executive Board. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit 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.

5.5 Vice President. The Vice President shall have all of the powers and authority and perform all 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.

5.6 Secretary. The Secretary shall keep the minutes of all the meetings of the Executive Board and the minutes of all meetings of the Association. The Secretary shall have charge of such books and papers as the Executive Board may direct, and shall, in general, perform all 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 their last-known addresses 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 the Unit owned by such member, the percentage interests in the Common Elements attributable to such members and a description of the Limited Common Elements assigned appurtenant to each 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.

5.7 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 depositories as may from time to time be designated by the Executive Board. Assistant Treasurers, if any, shall have the same duties and powers, subject to supervision by the Treasurer.

ARTICLE 6 INDEMNIFICATION

6.1 Definitions. For purposes of this Article 6, the following terms shall have the meanings set forth below:

6.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

6.1.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

6.2 Indemnification.

6.2.1 Except as provided in paragraph 6.2.4 of this Section 6.2, the Association shall indemnify against liability incurred in any Proceeding an Indemnified Party if:

- (a) He/She conducted himself/herself in good faith;
- (b) He/She reasonably believed:

(i) in the case of conduct in his/her official capacity with the Association that his/her conduct was in the Association's best interest; or

(ii) In all other cases, that his/her conduct was at least not opposed to the Association's best interests; and

(c) In the case of any criminal proceeding, he/she had no reasonable cause to believe his/her conduct was unlawful.

6.2.2 An Indemnified Party's conduct with respect to an employee benefit plan for a purpose such party reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirements of Section 6.2.1(b)(ii). An Indemnified Party's conduct with respect to an employee benefit plan for a purpose that such party did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of Section 6.2.1(a).

6.2.3 The termination of any proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the individual did not meet the standard of conduct set forth in Section 6.2.1.

6.2.4 The Association may not indemnify an Indemnified Party under this Section either:

(a) In connection with a Proceeding by or in the right of the Association in which the Indemnified Party was adjudged liable to the Association; or

(b) In connection with any proceeding charging improper personal benefit to the Indemnified party, whether or not involving action in his/her official capacity, in which he/she was adjudged liable on the basis that personal benefit was improperly received by him/her.

6.3 Insurance. By action of the Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain Insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him/her and incurred by him/her in his/her capacity of or arising out of his/her status as an Indemnified party, whether or not the Association would have the power to indemnify him/her against such liability under applicable provisions of laws.

6.4 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 6, such

reasonable requirements and conditions as may appear appropriate to the Executive Board in each specific case and circumstances including, without limitation, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified and (c) that the Association shall be subrogated, to the extent of any payments and by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

6.5 Non-Liability of the Directors, Board Officers and Declarant. Neither the Executive Board nor officers of the Association, nor Declarant shall be personally liable to the Owners for any mistake or judgment or for any acts or omissions of any nature whatsoever as such directors, Executive Board, officers, or Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud.

ARTICLE 7 AMENDMENTS

7.1 Bylaws. These Bylaws may be amended by action or approval of Owners representing an aggregate Ownership Allocated Interests of at least sixty-seven (67%) of the Common Elements in the Project and any notice of any meeting therefor shall specify the nature and extent of any proposed amendment or amendments, provided that these Bylaws shall at all time comply with the provisions of the Act and the Corporation Act.

7.2 Preparation of Amendments. The President and Secretary of the Association may prepare, execute, certify and record amendments to the Declaration.

ARTICLE 8 SERVICES

The Association, whether through all Owners or through a class of Owners, shall initially provide, among others, the following services relating to the administration and operation of the Association and the Project, funded through the related payments outlined below from regular, annual Assessments, which may be

amended or supplemented from time to time by the procedures set forth in the Declaration:

- (a) administrative payroll;
- (b) accounting services;
- (c) provision of office supplies;
- (d) maintenance of the General Common Elements, all Limited Common elements, whether residential and/or commercial, including all exterior maintenance of Buildings; grounds maintenance including irrigation water, parking area, roadway, and driveway maintenance, and snow removal on sidewalks and private driveways, roadways, and parking areas;
- (e) provision of maintenance supplies;
- (f) legal and accounting services;
- (g) electricity service for the General Common Elements and Limited Common Elements, including area lighting;
- (h) trash removal;
- (i) payment of reimbursable expenses of the Executive Board;
- (j) maintenance of insurance for General Common Elements, Limited Common Elements, and other insurance specified in the Declaration; and
- (k) establishment of reserve fund for maintenance, repair, and replacement of the General Common Elements and Limited Common Elements as required by the Declaration.

ARTICLE 9
NONPROFIT CORPORATION

The Association is not organized for profit. No member of the Association, member of the Executive Board, or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the Association, and in no event shall any part of the funds or assets of the Association be paid as a dividend, or be distributed to, or inure to the benefit of, any member of the Executive Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid

to any member or Director acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, (2) any member or Director 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, and (3) the distribution of any proceeds of insurance or from condemnation or the sale of the Project as described in the Declaration.

ARTICLE 10
OBLIGATIONS OF THE OWNERS

10.1 Assessments. Except as otherwise provided in the Declaration, all Owners shall be obligated to pay the annual Assessments imposed by the Association to meet the Common Expenses, including the expenses relating to the General Common Elements and the Limited Common Elements. Unless otherwise determined by the Association, the Annual, Common, Commercial, Residential, Special, Default or Reimbursement Assessments (all as defined in the Declaration) which are to be paid in periodic installments, shall be paid periodically in advance and shall be due and payable to the Association at its principal office, or as the Association may otherwise direct in any Management Agreement, without notice (except as otherwise required by the Declaration), on the first day of the payment period. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these Bylaws, if, and only if, he shall have fully paid all assessments made or levied against him and the Unit owned by him.

10.2 Registration of Mailing Address: All Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of notices, demands, and all other communications; and such registered address shall be the only mailing address of a person or person, firm, corporation, partnership, association, or other legal entity or such combination thereof to be used by the Association. such registered address of a Unit Owner or Owners shall be furnished by such Owners to the Secretary of the Association within five (5) days after transfer of title; and such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of all Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address shown on the deed to the Unit shall be deemed their registered address for the purposes of this Section until another registered address is furnished as required under this Section. If the Unit is the registered address of the Owners, then

any notice shall have been deemed to be duly given if it is delivered to any person occupying that Unit or, if such Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. The registered address may be changed from time to time by designation in accordance with this Section.

10.3 Use of General Common Elements and Limited Common Elements. Each Owner shall use the General Common Elements and the Limited Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

10.4 Assessments, Debts, and Other Obligations by Unit Owner. The Assessments, debts, and other obligations assumed by the Owner include the following:

10.4.1 The duties and obligations with respect to the maintenance of the Owner's Unit's interiors and the Limited common Elements as set forth more fully in Article XII of the Declaration.

10.4.2 The duty of Owners as set forth in the Declaration to reimburse the Association for repair or replacement of Common Elements, when such repair or replacement is occasioned by the negligent or wilful act or omission of said Owner, his family members, employees, guests, or invitees.

10.4.3 The duty to pay all annual, special, and default Assessments provided for and governed by the Declaration and levied for any purpose authorized by the Declaration.

10.4.4 The responsibility for each Owner to obtain that insurance related to his Unit provided for in the Declaration.

10.4.5 The duty to pay any separately metered or assessed utility costs and ad valorem taxes and special assessments levied by the State of Colorado or any political subdivision thereof on an Owner's Unit.

10.4.6 The duty to indemnify and hold harmless each of the other Owners and the Association, as may be required in the Declaration, from any liability arising from the claim of any mechanics' liens against an Owner's Unit or against the Common Elements.

10.4.7 The duty to adhere to and comply with all use restrictions as provided in the Declaration.

10.4.8 The burdens imposed by the easements as set forth in the Declaration.

10.4.9 The obligation to submit to the appointment of the Association as attorney in fact for purposes of dealing with the Project upon its damage, destruction, or obsolescence as provided in the Declaration.

10.4.10 The restrictions, limitations, and prohibitions relative to partitioning, serving Ownership interests in the Common Elements, and leasing Units as set forth in the Declaration.

10.4.11 Such other duties and obligations as may be imposed under the Declaration or these Bylaws and other Association Documents.

ARTICLE 11 COMMITTEES

The Executive Board of the Association may appoint such committees as deemed appropriate in carrying out its purposes; provided, however, the committees of Residential Directors and Commercial Directors shall exist and shall be deemed to be appointed by resolution of the Executive Board as of the creation of such classes of Directors.

ARTICLE 12 BOOKS AND RECORDS: STATEMENT OF ACCOUNT

12.1 Inspection. The records of receipts and expenditures of the Executive Board, including records of receipts and expenditures affecting General Common Elements, Limited Common Elements, and other books, records and papers of the Association, including the Declaration, the Articles of Incorporation, and these Bylaws of the Association as well as any Management Agreement and any rules and regulations of the Association shall be available for inspection during convenient weekday business hours by the Owners and their lenders and to holders, insurers or guarantors of First Mortgages at the principal office of the Association, where copies may be purchased at reasonable cost.

12.2 Statement of Account. Upon ten (10) days notice to the relevant Managing Agent, if any, or to the Executive Board, and payment of a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charged due and owing from such Owner,

together with such other information available pursuant to the Declaration.

ARTICLE 13
MISCELLANEOUS

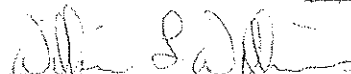
13.1 Notice to Association. Every Owner shall timely notify the Association of the name and address of any Mortgagee, purchaser, transferee or lessee of his/her Unit. The Association shall maintain such information at the office of the Association.

13.2 Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, every person becoming an Owner shall immediately furnish to the Executive Board 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.


13.3 Compliance. These Bylaws are intended to comply with the requirements of the Act and the Corporation Act. If any provisions of these Bylaws conflict with the provisions of any of such Acts, as the Acts may be amended from time to time, it is hereby agreed that the provisions of the appropriate Acts will apply.

13.4 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered from security of monies borrowed by authority of the Association and/or the Executive Board. Conveyance 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.

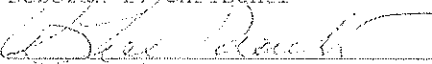
ADOPTED by the Executive Board on the 27th day of Sept., 1999.



William L. Williams



Deborah L. Christner



A. Leonard Nacht