

**BYLAWS
OF
VISTA POINT OWNERS ASSOCIATION**

ARTICLE I - OFFICES

Vista Point at Breckenridge Owners Association (the "Association") is a Colorado non-profit corporation, with its principal office located at Mount Royal Properties Inc., 481 West Main Street, Frisco, Colorado 80443. The mailing address of the Association is P.O. Box 4122, Frisco, Colorado 80443. The Association may also have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board may from time to time determine.

ARTICLE II - DEFINITIONS AND ASSENT

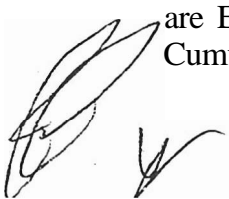
2.01 Definitions. The definitions in Article III of the condominium Declaration of Covenants, Conditions, Restrictions, and Easements of Vista Point ("Declaration") as amended from time to time and recorded in the office of the Clerk and Recorder of Summit County, Colorado, shall apply to these Bylaws, and all defined terms used in the Bylaws shall have the same meaning as defined terms used in the Declaration.

2.02 Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of in any manner are subject to the Association Documents, including these Bylaws. The acquisition or rental of any of the Units in Vista Point Subdivision or the occupancy of any improvement located thereon shall constitute ratification and acceptance of these Bylaws.

ARTICLE III - MEMBERSHIP, VOTING, QUORUM AND PROXIES

3.1 Membership and Voting. The Association shall be a membership corporation without certificates or shares of stock. The Association shall have one (1) class of voting membership. Members shall be all Owners and the Declarant, as defined in the Declaration, shall be entitled to vote in Association matters pursuant to the Declaration on the basis of one vote for each Unit owned. When more than one person holds an interest in any Unit, all such persons shall be members. The vote for such Unit shall be exercised by one person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with the Bylaws. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any one matter. Any Owner of a Unit which is leased may assign his voting right to the tenant, provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one vote be cast with respect to any one Unit. The Declarant shall be entitled to one vote for each Unit owned.

3.2 Election of Executive Board. In the election of the Executive Board, each Member shall have the right to vote the number of votes to which he is entitled for as many persons as there are Executive Board Members to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.



3.3 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of a majority of the votes entitled to be cast at such meeting shall constitute a quorum.

3.4 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies must be in writing and may be either general or for a particular meeting. A proxy holder need not be an Owner.

3.5 Majority Vote. Unless a different percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of more than fifty percent (50%) of the votes represented at a meeting duly called and convened at which a quorum is present shall be sufficient to adopt decisions binding on all Members.

ARTICLE IV - MEETINGS

4.1 Annual Meeting. The first annual meeting of the Members shall be held in ~~2003~~ ^{5/1/03} ~~TBD~~ ^{TBD} with each subsequent regular annual meeting of the Members to be held in the same month unless rescheduled by the Executive Board in any succeeding year.

4.2 Special Meeting. Special meetings of the Members for any purpose other than those regulated by statute shall be called by the President of the Association, either upon resolution of the Executive Board, or by petition of owners representing the Owners of at least fifty percent (50%) of the Units.

4.3 Notice of Meeting. The President or Secretary shall give, or cause to be given, written notice of the time, place and purpose of each annual or special meeting by mailing, posting prepaid, or hand-delivering such notice at least ten (10) days, but not more than fifty (50) days, prior to such meeting to each Member of the Association at the address of such Members that appears in the records of the Association. The Executive Board may set a record date for determination of Members entitled to notice of and to vote at a meeting.

4.4 Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Members shall be afforded the opportunity to ratify a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Executive Board. A summary of the proposed budget approved by the Executive Board shall be mailed to the Members within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held not less than fourteen (14) nor more than fifty (50) days after mailing of the summary to the Members (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the Colorado Revised Nonprofit Corporation Act). Unless eighty percent (80%) of the total votes in the Association reject the proposed budget, the budget is ratified. There are no quorum requirements for this meeting. In the event the proposed budget is rejected, the budget last ratified by the Members continues until such time as the Members ratify a subsequent budget proposed by the Executive Board as provided above.



4.5 Adjourned Meetings. If, at the time and place of meeting, a quorum is lacking, the chairman of the meeting, or the members holding a majority of the votes present in person or by proxy, may adjourn the meeting from time to time until a quorum exists. At any adjourned meeting at which a quorum exists, any business may be transacted which might have been transacted at the original meeting.

4.6 Waiver of Notice. Any Member may at any time waive any notice required to be given under these Bylaws, by statute or otherwise. The presence of a Member in person at any meeting of the members shall constitute a waiver, unless such presence is for the express purpose of objecting to the meeting for the reason that it was not lawfully called.

4.7 Place of Meetings. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If there is no such waiver, the place for annual and special meetings shall be the principal office of the Association.

4.8 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to such action.

4.9 Teleconference Meetings. Any regular or special meeting of the Members may be conducted by teleconference or other electronic means, followed by minutes of such meeting, which shall be distributed to each Member.

4.10 Order of Business. The order of business at all meetings of Members shall be as follows:

- (a) Roll call;
- (b) Statement of compliance with procedures for notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Executive Board Members (annual meetings only);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

4.11 Voting by Mail. The Executive Board may decide that voting of the Unit Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by mail. Pursuant to the Colorado Revised Nonprofit Corporation Act, any action that may be taken at any annual, regular or special meeting of the Unit Owners may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. Approval by written ballot shall

be valid only when the **number** of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the **number** of votes cast by ballot. All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of members of the Executive Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written **information** sufficient to permit each person casting such ballot to reach an informed decision on the matter. A **written** ballot may not be revoked.

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

ARTICLE V - EXECUTIVE BOARD

5.1 Association Responsibilities. The Owners will constitute the Association, who will have the responsibility of administering the Property through an Executive Board. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or Bylaws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Board.

5.2 Number and Initial Board The affairs of this Association shall initially be managed by an Executive Board of not less than two (2) nor more than five (5) Board Members who shall be Members of the **Association**. Declarant shall initially appoint the Executive Board Members as provided in Section 5.3 below. The number of members on the Executive Board may be changed from time to time by amendment to these Bylaws.

5.3 Executive Board Members During Declarant Control. Declarant and any successor of Declarant who takes title to all or part of the Property for the purpose of development and sale of the Property and who is designated as Successor Declarant in a recorded instrument executed by Declarant shall have **exclusive** power to appoint and remove members of the Executive Board and officers of the Association. This period of Declarant control shall terminate no later than sixty (60) days **after** conveyance of 100% of the Units to Unit Owners other than **Declarant**. Declarant may voluntarily surrender the right to appoint and remove officers and members of the Executive Board before termination of the period of Declarant control, but, in that event, **the** Declarant may require for the duration of the period of Declarant control, that specified actions of the Association or the Executive Board, **as** described in a recorded instrument by the Declarant, be approved by the Declarant before they become effective. The Executive Board Members selected by Declarant need not be Members of the Association.

5.4 Election of Executive Board Members During Members' Control. At the first meeting of the Members after the Declarant no longer appoints the Executive Board, they shall elect

a new Executive Board, and any terms of Executive Board Members which have not expired shall immediately terminate. Executive Board Members shall be elected by the Members at each annual meeting of the Members. At the first general election of the Board by Association Members and subsequent elections, the Members of the Association may cast as many votes as they are entitled to exercise under the provision of Section 3.1. above. Voting for Executive Board Members shall be by secret written ballot.

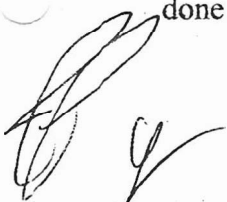
5.5 Term of Office of Executive Board Members during Members' Control. The term of office for the initial Executive Board Members shall be fixed at the time of their election as they themselves shall determine in order to establish a system of three (3) year terms in which at least one-third (1/3) of the Board is elected each year, and the Board shall identify in which year the board members for each category of representation are subject to election. For example, if the number of Executive Board Members on the initial Board is set at three (3) pursuant to Section 5.2 above, one (1) Executive Board Member shall serve for a one (1) year term, one (1) Executive Board Member shall serve for a two (2) year term, and one (1) Executive Board Member shall serve for a three (3) year term. At the expiration of the initial term of office of each respective Executive Board Member, a successor shall be elected to serve three (3) years. Each Executive Board Members shall hold office until their successors are elected by the Association and qualified.

5.6 Removal of Executive Board Members; Vacancies. Executive Board Members may be removed and vacancies on the Board may be filled as follows:

(a) By the Members. Any Executive Board Member may be removed, with or without cause, at any regular or special meeting of the Members by a majority of votes of the Members entitled to vote for a successor. A successor to any Executive Board Member removed may be elected at such meeting to fill the vacancy created by removal of the Executive Board Member. An Executive Board Member whose removal is proposed by the Members shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

(b) By the Board. Any Executive Board Member who has three (3) consecutive unexcused absences from Board meetings or who is in default of his obligations under the Declaration or is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority vote of the Executive Board Members present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability, resignation or removal by the Board as set forth in this subsection (b), of a Executive Board Member, a vacancy may be declared by the Board, and the Board may appoint a successor. Any successor appointed by the Board shall serve for the remainder of the term of the Executive Board Member replaced.

5.7 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 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.



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

(a) 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;

(b) to establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Units 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;

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

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

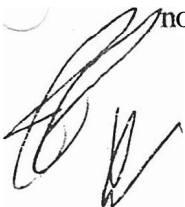
(e) to periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the owners or to credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period. To the extent permitted by law, levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the 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. All Special Assessments shall be in statement form and set forth in detail the various expenses for which the Assessments are being made;

(f) to impose penalties and collect delinquent Assessments by suit or otherwise, to collect costs and reasonable attorney's fees, and to enjoin or seek damages from an Owner as is provided in the Declaration;

(g) to protect and defend the Property from loss and damage by suit or otherwise;

(h) 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 or these Bylaws and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or desirable;

(i) to enter into contracts within the scope of their duties and powers, provided however, that any agreement for professional management of the Property, or any other contract providing for services of the Declarant may not exceed three (3) years, and any such agreement must provide for termination by either party without cause and without payment of a termination fee on no more than one hundred eighty (180) days written notice;



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

(k) 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 these Bylaws and, upon the vote of Owners representing the Owners of two-thirds (2/3) of the Units, to cause a complete audit to be made of the books and records by a competent certified public accountant;

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

(m) 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;

(n) to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association, subject to the Declaration and Bylaws of the Association;

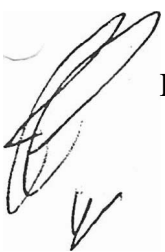
(o) in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Property.

5.9 Manager. The Executive Board may employ for the Association a Manager (at a compensation 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 but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these Bylaws.

5.10 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 Executive Board Members, but at least two (2) such meetings shall be held each year. Notice of regular meetings of the Executive Board shall be given to each Executive Board Member, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.11 Special Meetings. Special meetings of the Executive Board may be called by the President, on his own initiative, on three (3) days notice to each Executive Board Member, 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 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) Executive Board Members.

5.12 Agendas and Attendance. All regular and special meetings of the Association's Executive Board, or any committee thereof, shall be open to attendance by all members of the



Association or their representatives; however, members will not be allowed to participate in the meetings. Agendas for meetings of the Executive Board shall be made reasonably available for examination by all members of the Association or their representatives.

5.13 Executive Sessions. The members of the Executive Board or any ~~committee~~ thereof may hold an executive or closed door session and may restrict attendance to Executive Board members **and** such other persons requested by the Executive Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only matters enumerated in subparagraphs (a) to (e) of this section.

- (a) Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or **confidential** between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

No rule or regulation of the Executive Board or committee thereof shall be adopted during an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

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

5.15 Executive Board's Quorum. A majority of the Executive Board Members present in person or, to the fullest extent provided by the Act by proxy, shall constitute a quorum to **transact** for all meetings and consents. Unless otherwise **determined** by a vote of the Executive Board as to a particular issue, a majority vote of those present in person or by proxy, or a majority of those consenting in writing, constitutes a valid corporate action. If at any meeting of the Executive Board there is 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 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.

5.16 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**. The premiums on such **bonds** shall be paid by the Association.

5.17 Informal Action by Executive Board Members. Any action required or permitted to be taken at a meeting of the Executive Board Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Executive Board Members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as the unanimous vote of the Executive Board Members.

5.18 Teleconference Meetings. Any regular or special meeting of the Board may be conducted by teleconference or other electronic means, followed by minutes of such meeting, which shall be distributed to each Executive Board Member.

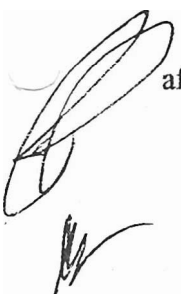
5.19 Conflicting Interest Transactions. Conflicting interest transactions shall mean a contract, transaction, or other financial relationship between the Association and **an** Executive Board member of the Association, or between the Association and a party related to an Executive Board member, or between the Association and an entity in which an Executive Board member is a director or **officer** or has a financial interest. ~~The~~ provisions of the Colorado Revised Nonprofit Act will apply to all situations where a conflicting interest transaction is present See, C.R.S. '7-128-501.

ARTICLE VI - OFFICERS

6.1 General. The officers of the Association (who shall be elected **from** among the members of the Board) shall be a President, one or more Vice-Presidents, a Secretary, and a Treasurer. The officers shall be elected by an **affirmative** vote of a majority of the members of the Board. The Board may elect such other officers, assistant officers, committees and agents, including Assistant Secretaries and Assistant Treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their **offices** for such terms and have such authority and duties as from time to time may be determined by the Board. One (1) person may hold two (2) offices, except that no person may simultaneously hold the **offices** of President and Secretary. In all cases where the duties of any **officer**, agent or employee are not prescribed by the Bylaws or by the Board, such **officer**, agent or employee shall follow the orders and instructions of the President.

6.2 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

6.3 Vacancies. A vacancy in any **office**, however occurring, may be filled by an affirmative vote of a majority of the members of the Board for the unexpired portion of the term.



6.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The President has the authority to prepare, execute, certify and record documents reflecting amendment to the Declaration which are properly amended pursuant to the provisions of the Declaration.

6.5 Vice-President. The Vice Presidents shall assist the president and shall perform such duties as may be assigned to them by the President or by the Board. In the absence of the President, the Vice President elected by the Board shall have the powers and perform the duties of the President.

6.6 Secretary. The Secretary shall keep the minutes of the proceedings of the Members, executive committee and the Board. He shall see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law. He shall be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the Board. He shall keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all Members, the designation of the Units owned by each Member, and, if such Unit is mortgaged, the name and address of each Mortgagee. He shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

6.7 Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board. He shall receive and give receipts and acquittances for monies paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board, shall make such reports to it as may be required at any time. He shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

ARTICLE VII - INDEMNIFICATION

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

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



(b) 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 Executive Board Member or officer of the Association or, while an Executive Board Member or officer of the Association, is or was serving at the request of the Association as a Executive Board Member, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust 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.

7.2 Indemnification. The Association shall indemnify, if indemnification is authorized by C.R.S. '7-129-102, any Indemnified Party in any Proceeding. The Association will advance the expenses of the Indemnified Party as provided in C.R.S. '7-129-104.

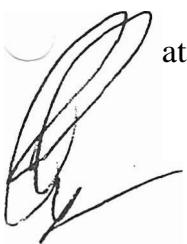
7.3 Insurance. By action of the Board, notwithstanding any interest of the Executive Board Members in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and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

7.4 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 VII, such reasonable requirements and conditions as to the Board may appear appropriate 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 made by way of indemnification, to all of the indemnified person's rights 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.

ARTICLE VIII - AMENDMENT OF BYLAWS

8.1 Amendment by the Members. These Bylaws may be amended by the affirmative vote of at least two-thirds percent (2/3) of the votes in the Association present or represented by proxy at any regular or special meeting, provided a quorum is present at such meeting. However, notwithstanding the foregoing, no provisions of these Bylaws may be amended by a number of Owners which is less than the number of Owners required within that particular provision to take certain action. Amendments may be proposed by the Executive Board or by petition signed by the holders of at least a majority of the votes. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

8.2 Amendment by the Board. The Board may amend these Bylaws by unanimous vote at any regular or special meeting, provided a quorum is present at such meeting. A statement of any



proposed amendment shall accompany the notice of any regular or special Board meeting at which such proposed amendment will be voted upon.

8.3 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles of Incorporation of the Association, the Declaration, or Colorado law.

ARTICLE IX - CORPORATE SEAL

The Executive Board may obtain a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary. The corporate seal shall be circular and shall have inscribed thereon the name of the Association and the word "Colorado" in the circle and the word "Seal" in the middle. If and when so directed by the Executive Board, a duplicate seal may be kept and used by such officer or other person as the Executive Board may name.

ARTICLE X - ASSOCIATION RECORDS, INFORMATION AND REPORTS

10.1 Corporate Report Filing. The Executive Board will at all times keep the Association in good standing by filing the periodic report annually with the Colorado Secretary of State. The Secretary or authorized officer of the Association shall complete the periodic report received from the Colorado Secretary of State with the name of the registered agent and registered office with both the physical and mailing address of the Association for notification by the Secretary of State and for service of process.

10.2 Association Minutes and Record Keeping Requirements. The Association or its agents will keep as permanent records:

(1) minutes of all meetings of its members and Executive Board, a record of all actions taken by the members or the Executive Board without a meeting, a record of all actions taken by a committee of the Executive Board in place of the Executive Board on behalf of the Association, and a record of all waivers of notices of meetings of members and of the Executive Board or any committee of the Executive Board;

(2) maintain appropriate accounting records;

(3) maintain a record of its members in alphabetical order, by class, showing the number of votes each member is entitled to vote;

(4) maintain Association records in written form or in another form capable of conversion into written form within a reasonable time; and

(5) keep a copy of each of the following records at its principal office:

(a) Articles of Incorporation;

(b) Bylaws;



- (c) Resolutions adopted by its Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
- (d) Minutes of all members' meetings, **and** records of all action taken by members without a meeting, for the past three (3) years;
- (e) All written communications **within** the past three (3) years to members generally as members;
- (f) List of all names and business or home addresses of its current Executive Board members and officers;
- (g) Copy of the most recent corporate report delivered to the Colorado Secretary of State under C.R.S. ' 7-136-107; and
- (h) All financial statements prepared for periods ending during the last three (3) years that a member could have requested under C.R.S. ' 7-136-106.

10.3 Inspection of Association Records by Members. A member is entitled to inspect and copy, during regular business hours at the Association's principal office, any of the records of the Association described in Section 10.2 above. The member must give the Association written notice at least five (5) business days before the date on which the member wishes to inspect and copy such records and in accordance with Colorado law at C.R.S. ' 7-136-102 and 7-136-103.

10.4 Statement of Assessments. The Executive Board or Manager, if any, shall furnish to any Owner, the Owner's designee or Mortgagee, upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's unit. The statement shall be furnished within fourteen (14) calendar days after receipt of the request and is binding on the Association, the Executive Board, and every Owner. If no statement is **furnished** to the Owner or mortgagee, or owner's 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 lien upon the unit for unpaid assessments which were due as of the date of the request. The Association shall keep financial records sufficiently detailed to enable the Association to comply with C.R.S. ' 38-33.3-316(8) concerning statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Owner or Owner's designees.

ARTICLE XI - MISCELLANEOUS

11.1 Registration of Mailing Address. If a Unit is owned by two (2) or more Owners, such co-owners shall designate one (1) address as the registered address required by the Declaration and shall designate the "voting member.!" An Owner or Owners shall notify the Secretary of his or their (a) registered address within five (5) days **after** any transfer of title or change of address, and (b) "voting member" within five (5) days after any transfer of title or designation thereof. Such notice shall be written and signed by all of the Owners to which it relates or by such persons authorized to sign on behalf of such Owners.

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

11.3 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.

11.4 Character of Association. The Association is not organized for profit. No member, member of the Executive Board, officer or person for whom the Association may receive any property or **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 Executive Board, **officers** or Members, except upon a dissolution of the Association, provided, however, (1) that reasonable compensation may be paid to any Member, Manager, Executive Board Member, 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, Executive Board Member, 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.

11.5 Right of Entry. The Manager and any person authorized by the Board shall have the right to enter each Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time. Such authorized persons shall also have the right to enter each Unit to perform maintenance and repair work as prescribed by these Bylaws and the Declaration.

11.6 Fiscal Year. The fiscal year of the Association shall be determined by the Executive Board and shall be subject to change by the Executive Board as **necessary**.

11.7 Budget. At each annual meeting of the Executive Board, the Executive Board shall approve a budget for the operation of the Association during the forthcoming year and mail a copy of such budget to the members. Said budget shall include such items of expense as are **determined** from time to time by the Executive Board.

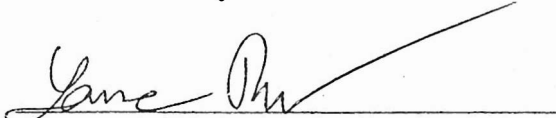
11.8 Captions. The captions and headings in these Bylaws are for convenience only and shall not be considered in **construing** any provision of these Bylaws.

11.9 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.



CERTIFICATE

The undersigned Secretary of the Association does hereby certify that the above and foregoing Bylaws were duly adopted by the Executive Board of this Association as the Bylaws of this Association on the 15 day of Jan. 2003, and that they do now constitute the Bylaws of this Association.


Secretary @ res.

