

7/17

BYLAWS
OF
TIMBERS ESTATES HOMEOWNERS ASSOCIATION

Article 1

DEFINITIONS

Each term in these Bylaws with its first letter capitalized shall have the meaning defined for such term in the Articles of Incorporation for Timbers Estates Homeowners Association or the General Declaration for Timbers Estates or as defined in these Bylaws.

ARTICLE 2

OFFICES

The principal office of the Association shall be at the Horse Barn Office Building, Box 1492, Evergreen, Colorado 80439. The Association may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board of Directors may from time to time determine.

ARTICLE 3

MEMBERSHIP, VOTING, QUORUM AND PROXIES.

1. The members of the Association shall be as set forth in the Articles of Incorporation as from time to time in force and effect.

2. Voting Rights: The voting rights of the members shall be as set forth in the Articles of Incorporation as from time to time in force and effect.

3. Record Date: The Board of Directors shall have the power to fix in advance a date as a record date for the purpose of determining members entitled to notice of or to vote at any meeting or to be furnished with any other information or material, or in order to make a determination or membership, for any purpose other than assessments which are provided for in Article 4 herein. The members existing on any such record date shall be deemed members for such notice, vote, meeting, furnishing of information or material or other purpose and for any supplementary notice or information or material with respect

to the same matter and for any adjournment of the same meeting. A record date shall not be more than fifty days prior to the date on which the particular action requiring determination of membership is proposed or expected to be taken or to occur. If no record date is established for a meeting, the date on which notice of such meeting is first given to any member shall be deemed the record date for the meeting.

4. Quorum: Except as otherwise provided in the Articles of Incorporation or these Bylaws, the presence in person or by proxy of members who are entitled to vote more than twenty percent (20%) of the total votes shall constitute a quorum.

5. Proxies: Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. Except as provided in Article 10 herein, no proxy shall be valid after the expiration of eleven months from the date of its execution, and every proxy shall automatically cease at such time as the member granting the proxy no longer qualifies as a member.

6. Majority Vote: At any meeting of members the affirmative vote of a majority of the votes represented at the meeting, in person or by proxy, shall be the act of the members unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration or these Bylaws as from time to time in force and effect.

ARTICLE 4

PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF FACILITIES AND FUNCTIONS

Each member and Guest shall be entitled to the use and enjoyment of Facilities and Functions as set forth in the Declaration as from time to time in force and effect, subject to such rules and regulations as may be adopted by the Association's Board of Directors from time to time.

ARTICLE 5

ADMINISTRATION

1. Annual Meeting: The annual meeting of the members shall be held at a time designated by the Board of Directors the second week in the month of June in each year, or at such other date in June designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such

other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day.

2. Special Meetings: Special meetings of members for any purpose, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors, and shall be called by the President at the request of the members entitled to vote 30 percent or more of the total votes.

3. Place of Meeting: The Board of Directors may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the Board of Directors. 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 no designation is made, or if a special meeting shall be called otherwise than by the Board, the place of meeting shall be the principal office of the Association in Evergreen, Colorado.

4. Notice of Meeting: Written or printed notice of any meeting of the members stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting not less than 10 or more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears in the office of the Association with postage thereon prepaid. If requested by the person or persons lawfully calling such meeting, the secretary shall give notice thereof at corporate expense.

5. Informal Action by Members. Any action required or permitted to 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, 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, and may be stated as such in any Articles or document filed with the Secretary of State of Colorado.

6. Voting: In the election of Directors each member shall have the right to vote as set forth in the Articles of Incorporation as from time to time in force and effect.

ARTICLE 6

BOARD OF DIRECTORS

1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a Board of Directors consisting of 5 Directors, until the first annual meeting and thereafter consisting of up to 9 Directors who need not be members of the Association. The initial Directors shall hold office until the election or appointment of their successors at the first annual meeting. Thereafter, Directors shall be elected or appointed annually by the members at the annual meeting. Each Director shall hold office until the election or appointment and qualification of his successor. If an initial Director resigns, his replacement shall hold office only until the next annual meeting of the Association. The number of Directors may be changed by amendment of the Articles of Incorporation in the manner set forth therein.

2. Resignations, Vacancies. Any Director may resign at any time by giving written notice to the President or to the Secretary of the Association. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors by reason of resignation, death, or an increase in the number of Directors may be filled by the affirmative vote of a majority of the Directors then in office though less than a quorum. A Director elected to fill such a vacancy shall be elected to serve until the next annual meeting of the members.

3. General Powers: The Board of Directors shall have and may exercise all the powers of the Association except such as are expressly conferred upon the members by law, by the Articles of Incorporation, the Declaration or these Bylaws as from time to time in force and effect.

4. Additional Powers and Responsibilities: In addition to its general powers, the Board of Directors shall have the authority and the responsibility, acting through the Association's officers, and subject to the provisions of the Declaration.

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Articles of Incorporation, the Declaration or the Bylaws as from time to time in force and effect.

(b) To establish, make, amend, publish and enforce compliance with such reasonable rules and regulations governing the operation and use of Facilities and Functions and the personal conduct of the members and Guests, and to establish, make, amend, publish and enforce payment of reasonable charges for the use of Facilities and Functions.

(c) To maintain in good order, condition and repair Facilities and all items of personal property, used in the enjoyment of such property.

(d) To obtain and maintain insurance in connection with Facilities and related personal property in the manner and the amount provided in the Declaration, and such other insurance as the Board of Directors may consider appropriate.

(e) To fix, determine, levy and collect Common and Special Assessments from Members to meet the common expenses and costs of the Association, and to create a reasonable reserve therefor.

(f) To collect promptly all delinquent assessments by suit or otherwise and to enjoin or seek damages from a member or Guest.

(g) To collect the charges and fees set forth in the Declaration and otherwise provided for in the Association's Articles of Incorporation and these Bylaws, as in effect from time to time.

(h) To issue, or cause an appropriate officer to issue, upon written demand of any member a certificate setting forth whether any assessment, charge, fine or penalty has been paid by such member. Such certificate shall be conclusive evidence against the Association for all purposes. The Association may charge a reasonable fee for such certificate.

(i) To protect and defend Facilities from loss and damage by suit or otherwise.

(j) To borrow funds in order to pay for any expenditure or outlay authorized by these Bylaws, the Declaration and the Articles of Incorporation as from time to time in force and effect, including but not limited to funds borrowed from Declarant or an affiliate thereof, and to execute all such instruments evidencing such indebtedness as may be necessary or advisable.

(k) To enter into contracts within the scope of their duties and powers.

(l) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(m) To maintain full and accurate books and records showing all of the receipt, expenses or disbursements of the Association. Any member may inspect such records upon reasonable notice at any reasonable time.

(n) To prepare and upon request deliver to any requesting member an annual statement showing all receipt, exenses or disbursements since the last such statement.

5. Compensation: By resolution of the Board of Directors, any director may be paid any one or more of the following: his reasonable expenses, incurred if any, in furtherance of the business or affairs of the Association; a fixed sum for attendance at meetings; or a stated salary as director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor.

6. Regular Meetings: Regular meetings of the Board of Directors may be held without call or formal notice at such places within the State of Colorado, and at such times as the Board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the Board of Directors for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a Board of Directors is elected.

7. Special Meetings: Special meetings of the Board of Directors may be held at any place within Colorado at any time when called by the president, or by 2 or more Directors, upon a least 3 days' prior notice of the time and place thereof being given to each Director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Association, or by telephone. Notices shall state the purposes of the meeting. No notice of any adjourned meeting of the Directors shall be required.

8. Quorum. A majority of the number of Directors fixed by the Bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the Directors in attendance shall except where a larger number is required by law, by the Articles of Incorporation, the Declaration or by these Bylaws as from time to time in force and effect, decide any question brought before such meeting.

9. Waiver of Notice. Before, at or after 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 except when a Director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

10. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Directors 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 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 Directors.

11. Executive Committee. An executive committee may be appointed pursuant to the Articles Incorporation as from time to time in force and effect.

ARTICLE 7

OFFICERS AND AGENTS

1. General. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary and a Treasurer. The Board of Directors may appoint 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 of Directors. The salaries of all the officers of the Association shall be fixed by the Board of Directors. One person may hold any two 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 of Directors, such officer, agent or employee shall follow the orders and instructions of the President or his designee.

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

3. Vacancies. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

4. President: The President shall be the chief executive officer of the Association. 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.

5. Vice Presidents: Vice Presidents shall assist the president and shall perform such duties as may be assigned to them by the President or by the Board of Directors. In the absence of the President, the Vice President designated by the Board of Directors or (if there be no such designation) designated in writing by the President shall have the powers and perform the duties of the President. If no such designation shall be made all vice presidents may exercise such powers and perform such duties.

6. The Secretary: The Secretary shall:

(a) Keep the minutes of the proceedings of the members, executive committee and the Board of Directors.

(b) See that all notices are duly given in accordance with the provisions of these Bylaws, the Articles of Incorporation, the Declaration and as required by law;

(c) 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 of Directors.

(d) 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 property owned or leased by each member, and, if such property is mortgaged and the mortgagee has given the Association notice thereof, the name and address of the mortgagee:

(e) 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 of Directors. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

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 of Directors. He shall receive and give receipt and acquittances for moneys 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 of Directors, shall make such reports to it as may be required at anytime. He shall, if required by the Board of Directors 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 of Directors to the President. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE 8

OBLIGATIONS OF THE MEMBERS

1. Assessments: (a) Each Member shall be obligated to pay and shall pay to the Association the annual Common Assessments levied with respect to such Owner's Site, and each owner shall comply with any determinations made by the Board of Directors with respect to such assessments.

(b) Each Member shall be obligated to pay and shall collect the Special Assessment and pay the total amounts thereof regularly to the Association with respect to which the Special Assessment is applicable and each member shall comply with any determinations made by the Board of Directors with respect to such assessments.

(c) Each Member shall pay all charges, fines, penalties, interest, or other amounts payable to the Association

in connection with the Common Assessments, Civic Assessments or Special Assessments, or otherwise payable under the Declaration, the Articles of Incorporation or these Bylaws.

2. Time for Payments. The amount of any Assessment, charge, fine, penalty or other amount payable with respect to any member or such member's Guests or Site shall become due and payable as specified herein or by the Board of Directors, and any such amount which is delinquent shall bear interest at the rate of 18 percent per annum from the date due and payable.

3. Lien for Assessments and Other Amounts: In addition to the rights set forth herein, the Association shall have a lien against each Site to secure payment of any assessment, charge, fine, penalty, or other amount due and owing to the Association with respect to the Owner of that Site or with respect to such owner's Guests or Site plus interest from the date due and payable, plus all costs and expenses of collecting the unpaid amount, including reasonable attorneys' fees. All liens granted pursuant to these bylaws shall be junior to any first lien or encumbrance on a Site taken in good faith and for value and perfected by recording in the office of the Clerk and Recorder of Jefferson County, Colorado, prior to the time a notice of failure to pay any such amount is recorded in said office, describing the Site, and naming the Owner of the Site. Such lien may be foreclosed in the manner for foreclosures of mortgages in the State of Colorado.

4. Compliance with the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations: Each member shall comply with all provisions of the Declaration, Articles of Incorporation, these Bylaws and any rules and regulations issued by the Board of Directors as from time to time in force and effect. The membership rights and privileges, including, but not limited to, the right to vote and the right to use Facilities and Functions of any member or Guest, may be suspended by action of the Board of Directors during the period when any assessments or other amounts due relating to such member's Site remain unpaid; but, upon payment of such assessments or other amounts, such rights and privileges shall be automatically restored. If the Board of Directors has adopted and published rules and regulations governing the use of Facilities or Functions and the personal conduct of any person related thereto, the Directors or the officers of the Association may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty days, or if such person is in a continuous violation of such rules and regulations for a period until such time as the violation ceases. At the

time such continuous violation ceases, the thirty day suspension may be applied to such person.

5. Amendments. This Article 8 may be amended only by the Affirmative Vote of a Majority of the Members.

ARTICLE 9

ASSESSMENTS

1. Common Assessments: The Board of Directors on or about February 15, of each year shall levy upon and subsequently collect from each owner an annual assessment (the "Common Assessment") which shall be determined by multiplying (A) the assessed value of all real property located with and improvements located on or affixed to each of such owner's Sites, as such value shall have been most recently determined by the Assessor of Jefferson County, Colorado (the "Assessed Value"), by (B) the Common Assessment Rate determined by the Board of Directors in accordance with Section 7(a) of this Article 9. To determine the Assessed Value Site and the improvements thereon, the Board of Directors shall obtain a copy of the tax list and warrant covering and including all real property in Timbers Estates as soon as practicable after its publication by the Treasurer of Jefferson County, Colorado on or about January 1, of each year. Notwithstanding the foregoing, if for any reason a current tax list and warrant is not available in a timely fashion or does not, in the judgment of the Board of Directors, provide sufficient information to determine the Assessed Values of one or more particular Sites and all of the improvements thereon, the Board of Directors may use any reasonable means available to it to determine such Assessed Value for purposes of levying Common Assessments, including without limitation reference to previous county assessed value determinations and other pertinent information and the employment of qualified appraisers. Identification of Owners for the purpose of levying common Assessments shall be made in accordance with said tax list and warrant except to the extent that the Board of Directors shall send by first class mail, postage prepaid, a notice or notices to each Owner at the address shown on said tax list and warrant, or a such other address of which the Board of Directors may have notice, setting forth the Assessed Value, the Common Assessment Rate and the Common Assessment relative to each Site owned by such Owner. Payment of each Common Assessment shall become due and payable, at the election of each Owner, either in two equal installments on or before February 28 and July 31 of such year, or in its entirety on or before April 30 of such year. Any portion of any Common Assessment not paid when due and payable

shall become a lien on and against all of the real proeprty owned by such Owner in Timbers Estates including any Sites owned by such owner other than the site with respect to which the Common Assessment has not been fully paid. The Board of Directors in cases of extreme hardship may release any such lien if it receives other security for the payment of the delinquent Common Assessment which it deems sufficient to protect the interest of the Association.

2. Special Assessments. Special Assessments may be Timbers Estates Assessments or Local Improvement Assessments as those terms are used below. They shall be imposed as provided in this Section 2 and shall be collected by the Association. Any portion of any Special Assessment not paid by any member when due and payable shall become a lien on and against all of the real property owned by such member in Timber Estates. The Board of Directors in cases of extreme hardship may release such lien if it receives other security for the payment of the delinquent Special Assessments which it deems sufficient to protect the interest of the Association.

(a) Timbers Estates Assessments. The Board of Directors may levy in any fiscal year one or more Timbers Estates Assessments, applicable to that year only, for any property purpose of the Association, provided that each such assessment shall be approved by the Affirmative Vote of a Majority of the Members at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to all members at least 30 days in advance unless each member waives such notice). Any such assessment which is so approved shall be levied in proportion to each member's Common Assessment contributions to the Association for the previous fiscal year; however, if no such contributions were made in the previous fiscal year, such Timbers Estates Assessment may be levied in such proportion as is determined by the Board of Directors and approved by the Affirmative Vote of a Majority of the Members. The date or dates that any such Timbers Estates Assessment is due and payable shall be set forth in the resolution of the Board of Directors authorizing such Assessment.

(b) Local Improvements Assessments:

(i) Local Improvments: In the judgment of the Board of Directors, if certain improvements within Timber Estates are desirable, if those improvements will especially benefit certain Sites, and if all or a part of the costs of those improvements should in fairness be paid for by the Owners of the Benefited Sites, the Board of Directors may propose a Local

Improvements Assessment. With respect to each proposed Local Improvement Assessment, the Board of Directors shall specify that nature of the proposed improvement, shall designate those Sites which will be especially benefited by the improvement ("Benefited Sites") and shall recommend a Local Improvement Assessment shall then be submitted to a vote of the Owners of the Benefited Sites, at a meeting duly called for such purpose upon written notice which sets forth the purpose of the meeting and is sent to the Owners of the Benefited Sites at least 30 days in advance unless each such Owner waives such notice). If more than 50 percent of the Owners of the Benefited Sites approve the Local Improvement Assessments at such a meeting, the Local Improvement Assessment shall take effect.

(ii) Apportionment of Local Improvement Assessments. Local Improvement Assessments shall be assessed in proportion to the benefits received. The Board of Directors shall make such assessments in proportion as the frontage of each Benefited Site is to the frontage of all the Benefited Sites, or in proportion as the area of each Benefited Site is to the area of all the Benefited Sites, or by any other method that the Board of Directors finds will result in Assessments being equitable in proportion to benefits received.

(iii) Disposition of Funds Raised Through Local Improvement Assessments. All funds collected through the imposition of a Local Improvement Assessment shall be applied to the costs of making, constructing and installing the local improvement for which such assessment was imposed, except that any funds remaining unspent upon completion of such improvement shall be returned to the Owners of the Benefited Sites in the proportion on which such Sites were assessed.

2. General Provisions: Any payment or Report required hereunder to be made to the Association shall be deemed to have been made in a timely fashion if sent to the principal office of the Association by first class mail, postage prepaid, and postmarked no later than the date such payment or Report is due, provided the Association thereby actually received such payment or Report. The Association at its own expense shall have the right at any time during regular business hours to inspect and copy all records and to audit all accounts of any member which are reasonably related to such member's obligations hereunder to pay assessments or make Report to the Association. If any portion of any assessment hereunder is not paid when due and payable such portion shall bear simple interest at the rate of 18 percent per annum from the date due until paid, and the amount of such interest shall for all purposes hereunder (other than the

computation of such interest) be added to and become part of the assessment; provided that the Board of Directors may in its discretion waive all or any part of such interest for reasonable cause shown. The Board of Directors shall have power to collect any part of any assessment not paid when due and to enforce any other obligations of any member under this Article 9 by any legal means available to it. Each Member shall hold harmless and indemnify the Association and its agents and employees from and against any and all costs, losses, obligations, penalties, expenses, liabilities and damages of every kind whatsoever, including court costs and all reasonable attorneys' fees incurred by or imposed upon the Association or any of its agents or employees in the collection of such Member's assessments hereunder which are not paid when due or otherwise in the enforcement of any of such Member's obligations under this Article 9. The Board of Directors shall have power to determine any matter and to resolve any dispute arising out of the application, determination payment and collection of any assessment or the making of any Report provided for in this Article 9, and may promulgate such additional rules and regulations which are consistent with the provisions hereof as the Board of Directors may deem necessary, useful or appropriate to the reasonable and efficient administration of such provisions.

3. Association Budget: At the first meeting of the Board of Directors following the adoption of the Association's fiscal year, the Board of Directors shall adopt an estimated budget for the remainder of that fiscal year. Such budget shall include: (A) the estimated costs and expenses and proposed capital expenditures which will be chargeable to the Association to fulfill its obligations under the Declaration, the Articles of Incorporation and those Bylaws as then in force and effect; (B) the estimated income and other funds which will be received by the Association; and (C) the estimated total amount required to be raised by Common and Special Assessments to cover such cost, expenses, and capital expenditures of the Association to provide a reasonable reserve. For each subsequent fiscal year the Board of Directors shall prior to the beginning of each fiscal year, propose and tentatively adopt a similar budget, which shall also include a long-term or continuing commitments of the Association made in connection with or contemplated under any previously approved budget. However, the tentative budget for each subsequent fiscal year shall not be finally established until after an opportunity for discussion of such budget by the members at a meeting of all members, which may be the same meeting as the annual meeting of members. The Board of Directors shall give notice of the time and place of the meeting for review of the

tentative budget to all members at least 30 days prior to such meeting. During such 30 day period the Board of Directors shall make copies of the tentative budget available to all interested members at the principal office of the Association. At such meeting, members shall have the right to be heard concerning the budget; however the Board of Directors shall retain the sole power to establish the budget. Any Special Assessment proposed in the budget to become effective with final establishment of the budget shall be approved by the members pursuant to Section 4 of this Article 9 at such meeting. Special meetings may be held in like manner upon like notice to consider supplementation or revision of any budget. Notice of any such special meeting shall contain a reasonably detailed description of the supplement or revision proposed. Except as emergencies may require, the Association shall make no commitment or expenditures in excess of the funds reasonably expected to be available to the Association through assessments, all other source of income and borrowing.

4. Assessment Rate:

(a) Common Assessment Rate: Based on its budget estimates and the most recently available Assessed Values of the Sites and improvements thereon, the Board of Directors shall determine and set forth in its annual budget the Common Assessment Rate (referred to in Section 1 of this Article 9) required to produce the total Common Assessments set forth in such budget.

(b) Special Assessment Rate: The Special Assessment Rate referred to in Section 2 of this Article 9 shall be 100% unless and until the Board of Directors shall adopt a different rate. However, in no event shall the Special Assessment Rate exceed 300 percent.

5. Amendments. This Article 9 may not be altered, amended or repealed except by the Affirmative Vote of a Majority of the Members.

ARTICLE 10

EVIDENCE AND DETERMINATION OF MEMBERSHIP, REGISTRATION OF MAILING ADDRESS AND LIEN HOLDERS.

1. Evidence of Membership and Registration of Mailing Address: Any party on becoming a Members shall furnish to the Association a photocopy or a certified copy of the recorded instrument vesting that party with the ownership interest required to make it a member of the Association. Each such

member shall at the same time give a single name and address to which notices to such member may be sent and such other information as may be required by the Board of Directors. In the event of any change in the facts reported in the original written notice, including any change of ownership, the member shall give a new written notice to the Association containing all the information required to be covered by the original notice. As against any member, and any party claiming by, through, or under such member, the Association may, but shall not be obligated to, rely, for any and all purposes, on the information reflected in the most recent written notice furnished with respect to such member. The Association shall keep and preserve the most recent written notice received by the Association with respect to each member.

2. Association Determination as to Membership. The Association, based on written notices furnished by members as aforesaid and based upon its own investigation, shall have the right, authority and obligation to fix and determine the number of votes existing with respect to each member. The Association shall make such determination at least annually and, in any event, as of any record date and shall make supplemental determinations from time to time as may be necessary after any record date in the light of changes which may come to its attention. The Association shall keep records of its determinations hereunder which shall be used and may be relied upon by it for any and all purposes. No party shall be entitled to any notice or the right to vote until it has been determined by the Association that such party is a member. Any party aggrieved by any determination of the Association with respect to its voting rights may contest such action in the District Court in Jefferson County, Colorado. Within such 45-day period, if such action is not commenced in such period then determination of the Association shall be final.

3. Liens. Any member who mortgages or grants a deed of trust covering his Site shall notify the Board of Directors of the name and address of the mortgagee or beneficiary of the deed of trust and shall file conformed copies of the note and security instrument with the Board of Directors. Such notice shall include an agreement by the lending institution that it will notify the Association when its lien has been released. The Board of Directors, when giving notice to a member of default in paying any assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a Deed of Trust covering such member's Site whose name and address has theretofore been filed with Association, and when has not been removed by appropriate notice that the lien has been released.

However, failure to give such notice to a mortgagee shall not invalidate the notice to a member.

4. Address of the Association. The address of the Association shall be P.O. Box 1492, Evergreen, Colorado 80429. Such address may be changes from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust whose names and addresses have been previously filed with the Association.

ARTICLE 11

SECURITY INTEREST IN MEMBERSHIP

Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as members under the Articles of Incorporation and these Bylaws or by the virtue of the Declaration as from time to time in force and effect. Such proxy and vesting shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board of Directors or the members to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy and vesting. Nothing contained in this Article 9 shall be construed to relieve members, as mortgagors, of their duties and obligations as members or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of an Owner.

ARTICLE 12

DESIGN REVIEW BOARD

The Board of Directors shall establish a Design Review Board consisting of 5 persons in accordance with the Declaration as from time to time in force and effect which shall have the duties and perform the functions described therein. Each member and the Association shall be bound by the Design Review Board's rules and regulations, a copy of which shall be maintained in the records of the Association and available for inspection by members of the Association at all reasonable times.

ARTICLE 13

AMENDMENTS.

1. By Directors: Except as by law, the Articles of Incorporation, the Declaration or these Bylaws limited or committed to action by the members, the Board of Directors shall have sole power to make, amend and repeal the Bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any Bylaw the directors shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.

2. Members: The members may, by the Affirmative Vote, unless expressly made subject to a higher voting requirement by law, the Articles of Incorporation, the Declaration or these Bylaws, make, alter amend and repeal the Bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

ARTICLE 14

MISCELLANEOUS

1. Seal. The corporate seal of the Association shall be circular in form and shall contain the name of the corporation, the year of its organization and the word "Seal, Colorado."

2. Fiscal year. The fiscal year of the Association shall be such as may from time to time be established by the Board of Directors.

INITIAL BOARD OF DIRECTORS

Bylaws accepted this ____ day of _____, 1984

Clyde Hoeldtke, President

Thomas E. Wells, Vice President

Frank Hosticka, Senior Vice President

Joan Hoeldtke, Assistant Secretary

Margaret Navarra, Assistant Secretary