

BYLAWS

OF

THE NINETEENTH FAIRWAY TOWNHOUSE
CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I

Object

1.01 Purpose. The purpose for which this nonprofit corporation, hereinafter referred to as the "Association," is formed is to govern the condominium property situate in the County of Eagle, State of Colorado which is known as The Nineteenth Fairway Townhouse Condominiums, hereinafter referred to as the "Condominium Project," and which property is subject to the provisions of the Condominium Ownership Act of the State of Colorado by a recorded Condominium Declaration, hereinafter referred to as the "Project Declaration" or the "Declaration."

1.02 Owners Subject to Bylaws. All present or future owners, tenants, future tenants, or any other person that might use in any manner the facilities of the Condominium Project located on the condominium property are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Condominium Units, hereinafter referred to as "Units", of the Condominium Project or the mere act of occupancy of any of said Units will signify that these Bylaws are accepted, ratified, and will be complied with.

ARTICLE II

Membership, Voting, Majority of
Owners, Quorum, Proxies

2.01 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 subjected 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 incurred under or in any way connected with the Association during the period of such ownership and membership in the Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to the owners. Such membership card shall be surrendered to the Secretary whenever ownership of the Unit designated thereon shall terminate.

2.02 Voting. All members shall be entitled to vote on all matters, with one vote per Unit. If title to any Unit shall be held by two or more co-tenants, then each such co-tenant shall be a member of this Association and shall be entitled to a portion of a vote equal to his percentage of ownership of the Unit. The co-tenants' percentage of ownership of a Unit shall be as determined by the title document for such Unit. In the absence of specific limitation, co-tenants shall be presumed to have equal undivided interests. Cumulative voting in the election of Directors shall not be permitted.

2.03 Definition of Percentage. As used in these Bylaws the term "majority of Unit owners" shall mean those owners of more than fifty percent (50%) of the Units.

2.04 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of Unit owners shall constitute a quorum and an affirmative vote of a majority of those present, either in person or by proxy, shall be required to transact business.

2.05 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

Administration

3.01 Association Responsibilities. The owners of the Units will constitute the Association, who will have the responsibility of administering the Condominium Project through a Board of Directors.

3.02 Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board of Directors may determine.

3.03 Annual Meetings. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board of Directors. The first annual meeting shall be held on December 11, 1976. At such meetings, a Board of Directors shall be elected in accordance with the requirements of paragraph 4.05 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

3.04 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors or upon receipt of a petition signed by the owners of at least

twenty-five percent (25%) of the Ownership Interests. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof as set forth in such resolution or petition. No business shall be transacted at a special meeting except as stated in the notice unless by the consent of the owners representing seventy-five percent (75%) of the Ownership Interests, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

3.05 Notice of Meetings. It shall be the duty of the Secretary to mail, by regular United States mail, a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least ten (10) days prior to such meeting. Waiver of notice, signed either before, at or after any meeting shall be a valid substitute for notice. The certificate of the Secretary that notice was properly given as provided in these Bylaws shall be prima facie evidence thereof.

3.06 Adjourned Meetings. If any meeting of owners cannot be convened because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

3.07 Order of Business. The order of business at all meetings of the owners of Units shall be as follows:

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

ARTICLE IV

Board of Directors

4.01 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of three persons. The number of Directors may be increased or decreased by amendment of these Bylaws; provided however, that the number of Directors shall not be reduced to less than three nor increased to more than ten. Until the first meeting of the Association, the Board of Directors shall consist of those individuals named as such in the Articles of Incorporation of the Association.

4.02 Powers and Duties. The Board of Directors 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 condominium project. The Board of Directors may do all such acts and things as are not by law, the Articles of Incorporation of the Association, these Bylaws or the Project Declaration either prohibited or directed to be exercised and done by the owners.

4.03 Other Powers and Duties. The Board of Directors 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 Project Declaration.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the Condominium Project with the right to amend same from time to time. A copy of such rules and regulations shall be delivered to or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general common elements and limited common elements and all items of personal property, if any, used in the enjoyment of the entire Condominium Project.

(d) To obtain and maintain all policies of insurance required by Paragraph 22 of the Declaration.

(e) To periodically fix, determine, levy and collect the prorated assessments to be paid by each of the owners towards the gross expenses of the Association and to adjust, decrease or increase the amount of the assessments, and to 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 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 assessments shall be in statement form and shall 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 and to enjoin or seek damages from an owner as is provided in the Project Declaration and these Bylaws.

(g) To protect and defend the Condominium Project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Project Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or desirable and such indebtedness shall be deemed to be the several obligation of all the owners in the same proportion as their respective Ownership Interest; provided, however, that the Board shall not without the prior approval of a majority of the Unit owners borrow more than \$1,000 or cause the Association to be indebted for more than \$1,000 at any one time, for any purpose, other than the purchase of a Unit for the Managing Agent and/or resident manager.

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

(j) To establish bank accounts as may be deemed advisable by the Board of Directors.

(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 examination thereof at any reasonable time by any of the owners and First Mortgagees, and upon affirmative vote of at least a majority of the Unit owners, to cause a complete audit to be made of the books and accounts by a competent certified public accountant.

(l) To prepare and deliver annually to each owner and First Mortgagee a statement showing all receipts, expenses or disbursements since the last such statement.

(m) To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the general common elements.

(n) 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 of Units pursuant to the Declaration.

(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 Project.

4.04 Managing Agent. The Board of Directors may employ for the Association a Managing Agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate any of the powers and duties granted to it but shall not be relieved of its responsibility under the Declaration notwithstanding such delegation. Any contract entered into with a Managing Agent must, however, be limited to a term not exceeding three years and must provide that it is cancellable by the Association upon sixty days written notice.

4.05 Election and Term of Office. Members of the Board of Directors shall be elected by a majority or plurality, as appropriate, of the Ownership Interests voted at the annual meeting of the members of the Association; the term of each director's service shall extend until the next annual meeting of the members and thereafter until his successor is duly elected and qualified or until he is removed in the manner hereinafter provided.

4.06 Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by election of 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 elected at the next annual meeting of the Association.

4.07 Removal of Directors. At any annual or special meeting of the Association, duly called, any one or more of the Directors may be removed with or without cause by a majority of the Unit owners, 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.

4.08 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within fifteen 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 whole Board shall be present at such election meeting.

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

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President, on his own initiative, on three (3) days' notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary 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.

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

4.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.13 Fidelity Bonds. The Board of Directors 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.

ARTICLE V

Officers

5.01 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

5.02 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board. All officers, except the initial officers, must be members of the Association and the President must be elected from among the Board of Directors. One person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer or Secretary and Treasurer but the President shall serve only in the office of President.

5.03 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.

5.04 President. The President shall be elected from among the Board of Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a nonprofit corporation, including but not limited to the power to appoint committees from among the members from time to time as he may in his discretion decide is 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.

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

5.06 Secretary. The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he 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 Ownership Interest attributable thereto and a description of the limited common elements assigned for exclusive use in connection with such 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.

5.07 Treasurer. The Treasurer shall have responsibility for Association funds 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 Board of Directors, and shall pay all charges and obligations of the Association before the same shall become delinquent.

ARTICLE VI

Indemnification of Directors and Officers

6.01 Indemnification. The Association shall indemnify every director and officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such director or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses. Nothing contained in this Section 6.01 shall, however, be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a member or owner of a Unit covered thereby.

ARTICLE VII

Amendments

7.01 Bylaws. These Bylaws may be amended by the members of the Association at a meeting duly convened for such purpose, and no amendment shall be effective unless approved by owners representing at least seventy-five per cent (75%) of the Ownership Interests and any notice of said meeting shall specify the nature and text of any proposed amendment or amendments, provided that these Bylaws shall at all times comply with the provisions of Colorado Rev. Stat. Ann. §38-33-106(1973, as amended).

ARTICLE VIII

Mortgages

8.01 Notice to Association. Every owner who mortgages his Unit shall notify the Association by giving the name and address of his mortgagee to the President of the Association. The Association shall maintain such information in a book entitled "Mortgages of Units."

8.02 Notice of Default. The Association shall report to any first mortgagee any assessment which remains unpaid for over thirty days or any other default of an owner which remains uncured for over thirty days.

ARTICLE IX

Miscellaneous

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

9.02 Compliance. These Bylaws are intended to comply with the requirements of the Colorado Condominium Ownership Act. If any provisions of these Bylaws conflict with the provisions of said Act, as said Act may be amended, it is hereby agreed and accepted that the provisions of such Act will apply.

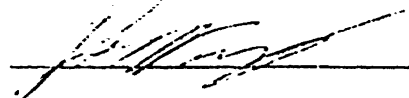
9.03 Character of Association. This Association is not organized for profit. No member, member of the Board of Directors, officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any of the Board of Directors, officers or members, provided, however, always (1) that reasonable compensation may be paid to any member, manager, director, or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager, director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

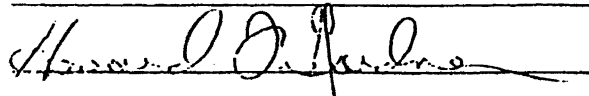
9.04 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered by authority of the Board of Directors or such person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

9.05 Inspection of Records. Any owner or mortgagee of a Unit may inspect the records of receipts and expenditures of the Board of Directors pursuant to Colo. Rev. Stat. Ann. § 38-33-107 (1973, as amended) at convenient weekday business hours, and, upon ten days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, not to exceed \$20.00, any owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 7 day of December, 1976.

BOARD OF DIRECTORS:





KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the corporation does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of said corporation as the Bylaws of said corporation on the _____ day of _____, 1976, and that they do now constitute the Bylaws of said corporation.

Secretary