

**BYLAWS
OF
THE RESERVE AT ESTES PARK HOMEOWNERS' ASSOCIATION**

ARTICLE I. NAME

The name of the Association is THE RESERVE AT ESTES PARK HOMEOWNERS' ASSOCIATION, hereinafter referred to as "the Association."

ARTICLE II. DEFINITIONS

2.1 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for The Reserve recorded in the office of the Clerk and Recorder of Larimer County, Colorado.

2.2 All other terms used in these Bylaws shall have the meaning given to them in the Declaration and in the Colorado Common Interest Ownership Act.

ARTICLE III. OFFICES

The office of the Association shall be at 1369 Deer Path Court Estes Park, Colorado, 80517. The Association may have such other offices within the State of Colorado as the Executive Board may designate or as the business of the Association may, from time to time, require.

ARTICLE IV. MEMBERSHIP AND MEETINGS

4.1 Membership. Any person who holds title to a Unit in the Common Interest Community shall be a Member of the Association. There shall be one (1) membership for each Unit owned within the Common Interest Community. The membership shall be automatically transferred upon the conveyance of that Unit.

4.2 Voting Rights. Each Owner shall have one (1) vote for each Unit owned. When more than one (1) person holds a beneficial interest in a Unit as joint tenant, tenant in common, or otherwise, all such persons shall be Members of the Association. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, such Owner shall be entitled to cast the vote allocated to that Unit. If more than

one (1) of the multiple Owners are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one (1) of the multiple Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the executive board or directors or bylaws of the owning corporation or business trust. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust owner is qualified to vote. Votes allocated to a Unit owned by the Association may not be cast.

4.3 Meetings. Meetings of the Association shall be held at least once each year scheduled in October. Special meetings of the Association may be called by the President, by a majority of the Executive Board, or by Unit Owners having sixty percent (60%) of the votes in the Association. Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the Secretary, or other officer designated by the Executive Board, shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board.

4.4 Quorum. Except as otherwise provided in these Bylaws or as provided by law, at any meeting of the Members, the presence in person or by proxy of Owners entitled to cast sixty percent (60%) of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum. An affirmative vote of a majority of the total number of votes entitled to be cast by

the Members present in person or by proxy at a meeting at which a quorum of Members is present shall be necessary to pass or adopt any motion or resolution presented to the Members unless a greater portion is required by law, by the Articles of Incorporation, by the Declaration, or by these Bylaws.

4.5 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy, except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise.

4.6 Action by Consent. Any action 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 on such action.

ARTICLE V. EXECUTIVE BOARD

5.1 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

- (a) Adopt and amend Bylaws and Rules and Regulations.
- (b) Adopt and amend budgets for revenues, expenditures and reserves.
- (c) Collect assessments for Common Expenses from Unit Owners.
- (d) Hire and discharge managing agents.

(e) Hire and discharge employees, independent contractors and agents other than managing agents.

(f) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws or Rules and Regulations in the Association's name, on behalf of the Association, or two (2) or more Unit Owners on matters affecting the Common Interest Community.

(g) Make contracts and incur liabilities.

(h) Regulate the use, maintenance, repair, replacement and modification of the Common Elements.

(i) Cause additional improvements to be made as a part of the Common Elements.

(j) Acquire, hold, encumber and convey in the Association's name, any right, title or interest to real estate or personal property, but the Common Elements may be conveyed or subjected to a security interest only pursuant to §312 of the Act.

(k) Grant easements, leases, licenses and concessions through or over the Common Elements.

(l) Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Common Elements, other than Limited Common Elements described in §202(1)(b) and (d) of the Act.

(m) Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine for violation of the Declaration, Bylaws and Rules and Regulations of the Association.

(n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments.

(o) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and officers' liability insurance.

(p) Exercise any other powers conferred by the Declaration or Bylaws.

(q) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association.

(r) Exercise any other power necessary and proper for the governance and operation of the Association.

(s) By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Unit Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Unit Owner within forty-five (45) days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

5.2 Employment of Manager by Executive Board. The Executive Board may employ a Manager for the Common Interest Community, at compensation established by the Executive Board, to perform the duties and services authorized by the Executive Board. The Executive Board may delegate to the Manager only the powers granted to the Executive Board by these Bylaws under Subsections (c), (e), (g) and (h) of Section 5.1 above. Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget.

5.3 Number, Qualification and Governance of Board. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board which shall consist of five (5) persons, the majority of whom shall be Unit Owners. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Unit Owner shall be eligible to

serve as a Director and shall be deemed to be a Unit Owner for purposes of the preceding sentence. Directors shall be elected by the Unit Owners. At any meeting at which Directors are to be elected, the Unit Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

5.4 Term of Office. The terms of at least one-third (1/3) of the Directors shall expire annually, as established by resolution of the Unit Owners.

5.5 Nomination and Election. The Association shall call an annual meeting, scheduled in October of each year, and give not less than ten (10) or more than fifty (50) days' notice to Unit Owners for the purpose of electing members to the Executive Board. This meeting may be called and notice given by any Unit Owner if the Association fails to do so. Nomination for election to the Executive Board may be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Members. The nominating committee shall consist of a chairman, who shall be a member of the Executive Board, and two (2) or more Members of the Association. The nominating committee shall be appointed by the Executive Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Executive Board as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled. Such nominations shall be made from among the Members of the Association. Election to the Executive Board shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

5.6 Vacancies. Vacancies in the Executive Board caused by any reason other than the removal of a Director by a vote of the Members shall be filled at a regular or special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at

that meeting may constitute less than a quorum. Such appointments shall be made in the following manner:

(a) As to vacancies of Directors, by a majority of the remaining elected Directors constituting the Executive Board.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

5.7 Removal of Members of Executive Board. At any regular or special meeting of the Members duly called, any one (1) or more of the members of the Executive Board may be removed, with or without cause, by a vote of two-thirds (2/3) of the votes entitled to be cast by the Members present at a meeting at which a quorum is present; and a successor may then and there be elected to fill the vacancy and un-expired term thus created. Any member of the Executive Board whose removal has been proposed by the membership shall be given an opportunity to be heard at such meeting.

5.8 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Members shall be held within ten (10) days after the annual meeting at a time and place to be established by the Members at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the members of the Executive Board are present. The Executive Board may set a schedule of additional regular meetings by resolution and no further notice is necessary to constitute regular meetings.

5.9 Special Meetings. Special meetings of the Executive Board may be called by the President on three (3) days' notice to each member of the Executive Board, given personally or by mail, telephone, or facsimile, which notice shall state the time, place, and purpose of the meeting. Upon the written request of any two (2) of the members of the Executive Board, the President shall call a special meeting of the Executive Board in like manner and on like notice.

5.10 Location of Meetings. All meetings of the Executive Board shall be held at such location as shall, from time to time, be designated by the Executive Board.

5.11 Waiver of Notice. Before or at any meeting of the Executive Board, any member of the Executive Board may, in writing, waive notice of such meeting; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Executive Board at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof unless the member of the Executive Board attends a meeting for the express purpose of objecting to the transaction of any business at the meeting because the meeting was not lawfully called or convened.

5.12 Executive Board's Quorum. At all meetings of the Executive Board, a majority of the members of the Executive Board shall constitute a quorum for the transaction of business; and the votes of a majority of the members of the Executive Board present at a meeting at which a quorum is present shall constitute the decision of the Executive Board. If, at any meeting of the Executive Board, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At such adjourned meeting subsequently held, any business which might have been transacted at the meeting as originally called, may be transacted without further notice.

5.13 Telephone Communication in Lieu of Attendance. A member of the Executive Board may attend a meeting of the Executive Board by using an electronic or telephonic communication method whereby the Director may be heard by other members of the Executive Board and may hear the deliberations of the other members of the Executive Board on any matter properly brought before the Executive Board. Such Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

5.14 Action by Consent. Any action which may be taken at a meeting of the members of the Executive Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the

Executive Board entitled to vote with respect to the action to be taken.

5.15 Committees. The Executive Board by resolution adopted by a majority of the members of the Executive Board in office may designate and appoint one (1) or more committees, each of which shall consist of one (1) or more members of the Executive Board, which committees, to the extent provided in the resolution, shall have all the authority of the Executive Board except as may be limited by the Articles of Incorporation, by these Bylaws, or by law. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Executive Board or any individual member of the Executive Board of any responsibility imposed upon such member of the Executive Board by the Articles of Incorporation, by these Bylaws, or by law.

ARTICLE VI. OFFICERS

6.1 Designation. The principal officers of the Association shall be a President, one (1) or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected by the Executive Board, and such assistant officers as the Executive Board shall, from time to time, designate. The President and Vice President(s) must be members of the Executive Board.

6.2 Election of Officers.

The officers of the Association shall be elected annually by the Executive Board at the first meeting of the Executive Board following the annual meeting of the Members and shall hold office for a term of one (1) year or at the pleasure of the Board. One (1) person may hold concurrently any two (2) offices; provided, however, that the offices of President and Secretary shall not be held by the same person. The office of Vice President need not be filled."

6.3 Resignation and Removal of Officers. Upon the affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for such purpose. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by a majority vote of the members of the Executive Board.

6.5 President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Members and of the Executive Board. The President shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including, but not limited to, the power to appoint committees from among the Members from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may fulfill the role of Treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

6.6 Vice President. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Executive Board shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties designated by the Executive Board or by the President.

6.7 Secretary. The Secretary shall keep minutes of all meetings of the Members and the Executive Board. The Secretary

shall have charge of the Association's books and papers as the Executive Board may direct; and shall perform all duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

6.8 Treasurer. The Treasurer shall be responsible for the Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all of the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as a fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the Treasurer, and executed by two (2) Directors, one (1) of whom may be the Treasurer if the Treasurer is also a Director.

6.9 Agreements, Contracts, Deeds, Checks, Etc. Except as provided in Sections 6.5, 6.7, 6.8 and 6.10 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

6.10 Statements of Unpaid Assessments. The Treasurer, Assistant Treasurer, a Manager employed by the Association or,

in their absence, any officer having access to the books and records of the Association may prepare, certify and execute statements of unpaid assessments, in accordance with §316 of the Act.

The Association may charge a reasonable fee for preparing statements of unpaid assessments. The amount of this fee and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense against the Unit for which the certificate or statement of assessment is furnished.

ARTICLE VII. ENFORCEMENT

7.1 Abatement and Enjoinment of Violations by Members. The violation of any of the Rules and Regulations adopted by the Executive Board or the breach of any provision of the Documents shall give the Executive Board the right, after notice and hearing, except in case of an emergency, to enjoin, abate or remedy by appropriate legal proceeding, either at law or in equity, the continuance of any breach.

7.2 Fine for Violation. By resolution, following notice and hearing, the Executive Board may levy a fine of up to Twenty-Five Dollars (\$25.00) per day for each day that a violation of the Declaration or any Rules and Regulations or resolutions persists after notice and hearing, but this amount shall not exceed that amount necessary to ensure compliance with the rule or order of the Executive Board.

ARTICLE VIII. INDEMNIFICATION OF OFFICERS, MEMBERS OF THE EXECUTIVE BOARD, AND AGENTS

The Directors and officers of the Association shall have the liabilities, and be entitled to indemnification, as provided in the Colorado Nonprofit Corporation Act, the provisions of which are incorporated by reference and made a part of these Bylaws.

ARTICLE IX. RECORDS

9.1 Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense, unless otherwise provided in the Declaration.

9.2 Examination. All records maintained by the Association or any Manager shall be available for examination and copying by any Member, any holder of a Security Interest in a Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

9.3 Records. The Association shall keep the following records:

(a) An account for each Unit, which shall designate the name and address of each Unit Owner, the name and address of each mortgagee who has given notice to the Association that it holds a Security Interest on the Unit, the amount of each Common Expense Assessment, the date on which each Assessment comes due, the amounts paid on the account, and balance due.

(b) An account for each Unit Owner showing any other fees payable by the Unit Owner.

(c) A record of any capital expenditures in excess of Three Thousand Dollars (\$3,000.00) approved by the Executive Board for the current and next two (2) succeeding fiscal years.

(d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project.

(e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association.

(f) The current operating budget adopted pursuant to §315(1) of the Act and ratified pursuant to the procedures of §303(4) of the Act.

(g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant.

(h) A record of insurance coverage provided for the benefit of Unit Owners and the Association.

(i) A record of any alterations or improvements to Units or Limited Common Elements which violate any provisions of the Declaration of which the Executive Board has knowledge.

(j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances or regulations of which the Executive Board has knowledge.

(k) A record of the actual cost, irrespective of discounts and allowances, of the maintenance of the Common Elements.

(l) Balance sheets and other records required by local corporate law.

(m) Tax returns for state and federal income taxation.

(n) Minutes of proceedings of incorporators, Unit Owners, Directors, committees of Directors and waivers of notice.

(o) A copy of the most recent versions of the Declaration, Bylaws, Rules and Regulations, and resolutions of the Executive Board, along with associated exhibits and schedules.

ARTICLE X. MISCELLANEOUS

10.1 Proof of Ownership. Any person or entity, upon becoming a Unit Owner, shall furnish to the Executive Board a photocopy of the document vesting that person or entity with an ownership interest in a Unit, which copy shall remain in the files of the Association.

10.2 Registration of Mailing Address. The mailing address for each Unit shall be the address of that Unit, unless the Owner of the Unit shall have designated another mailing address in writing. Each Owner shall have one (1) registered mailing address to be used by the Association for mailing of statements of assessments, notices, demands, and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, limited liability company, association or other legal entity or any combination thereof to be used by the Association.

10.3 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or if there is no Manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Members and to all holders of Security Interests in the Units who have notified the Association that they hold a Security Interest in a Unit. Except as otherwise provided, all notices to any Member shall be sent to the Member's address as it appears on the records of the Association. All notices to holders of a Security Interest in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Declaration, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

10.4 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

10.5 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

10.6 Office. The principal office of the Association shall be as designated by the Executive Board from time to time.

10.7 Working Capital. A working capital fund will be

maintained in the amount of two (2) months' regularly budgeted initial Common Expense Assessments for all Units.

10.8 Reserves. As a part of the adoption of the regular budget, the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements and those Limited Common Elements, if any, that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major Common Element improvements.

10.9 Amendment to Declaration. Any amendment to the Declaration shall be prepared, certified and recorded by the Secretary of the Association. Any such amendment shall be executed by both the President and Secretary on behalf of the Association.

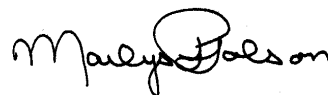
ARTICLE XI. NONPROFIT ASSOCIATION

This Association is a nonprofit corporation organized under Colorado law. No Member, member of the Executive Board, or officer shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof; and in no event shall 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 member of the Executive Board, officer, or Member of the Association; provided, however, (1) that reasonable compensation may be paid to any Member, member of the Executive Board, or officer while acting as an agent or employee of the Association for services rendered in effectuating the purposes of the Association; and (2) that any Member, member of the Executive Board, or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XII. AMENDMENT TO BYLAWS

These Bylaws may be amended only by vote of two-thirds (2/3) of the members of the Executive Board or by a majority of the votes entitled to be cast by the Members present in person or by proxy at any annual, regular or special meeting at which a quorum is present. In the event the Executive Board proposes to amend these Bylaws, it may do so only following notice and comment to all Members at any meeting duly called for such purpose. No amendment of these Bylaws shall be adopted which would affect or impair the validity or priority of any Security Interest covering any Unit or which would change the provisions of these Bylaws with respect to institutional mortgagees of record. In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control; and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ATTEST: Certified to be the Bylaws adopted by unanimous consent of all members of the Executive Board of The Reserve at Estes Park Homeowners' Association, effective March 25, 2005, 2005.



Secretary