

BYLAWS

OF

ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.

The following Bylaws correctly set forth the provisions of the Bylaws of Arbors at Mountain Shadows Condominium Owners Association, Inc., and were duly adopted pursuant to the Colorado Revised Nonprofit Corporation Act.

ARTICLE I

NAME AND LOCATION

The name of the nonprofit corporation ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The Association has been incorporated as a Colorado Nonprofit corporation pursuant to its Articles of Incorporation (which are incorporated herein by this reference and hereafter called the "Articles"). The initial principal office of the corporation shall be located at 101 North Cascade, Suite 300, Colorado Springs, El Paso County, Colorado 80903, but meetings of Members and Directors may be held at such places within the County of El Paso as may be designated by the Board of Directors, which shall also be known and referred to sometimes herein as the "Board."

ARTICLE II

DEFINITIONS

All terms which are defined in the Condominium Declaration for the Arbors at Mountain Shadows – a Condominium Community (hereinafter called the "Declaration" and incorporated herein by this reference) shall have the same meaning herein and shall be subject to the Colorado Common Interest Ownership Act (hereinafter called "CCIOA") and the Colorado Revised Nonprofit Act, C.R.S. 7-121-101 et. seq. (hereinafter called the "Nonprofit Act").

ARTICLE III

MEETING OF MEMBERS

Section 1. Membership and Voting Rights. The requirements and conditions of membership and of voting rights shall be as follows:

(a) Membership. The requirements and conditions of Membership and of voting rights shall be as provided in the Declaration and the Articles of Incorporation. By acquiring title to a Unit, a person or entity automatically consents to becoming a Member of the Association and subject to the rights and duties set forth in the Declaration, the Association's Articles of Incorporation, these Bylaws, and the Rules (hereinafter collectively called the "Association's Documents") and applicable

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laws and statutes. Different rights and obligations with respect to voting and all other matters may be set forth in the Association's Documents, which shall be controlling over C.R.S. 7-127-202 or otherwise. Members may only transfer their Memberships and any right arising therefrom as permitted by the Association's Documents and in accordance therewith. A Member may not resign from the Association, but may be expelled or suspended or have Membership terminated as provided by the Association's Documents and C.R.S. 7-126-302; a Member shall remain liable for all assessments, fees, charges and sums, whether past, present or future, despite such expulsion, suspension or termination. No votes allocated to a Condominium Unit owned by the Association may be cast.

(b) Voting Rights.

(1) Voting Rights shall be based upon one vote per Unit as set forth in the Declaration. The affirmative vote of a majority of the Condominium Units shall be required for decisions and action by the Association, unless otherwise provided herein or in the Association's Articles of Incorporation or Bylaws. If only one of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast all the votes allocated to that Unit. Alternatively, if more than one person holds an interest in a Condominium Unit, they may appoint one of their co-Owners as proxy to cast the vote for that Condominium Unit. The vote for such Condominium Unit shall be cast as the Owners holding a majority in interest thereof agree, but in no event shall they cast more than the voting rights allocated to that Unit on any one question. If the Owners of such Condominium Unit cannot agree as to the manner in which their vote shall be cast when called upon to vote, then they will be treated as having abstained. During this period, each Owner shall retain all other rights and obligations of membership in the Association.

(2) Notwithstanding anything herein to the contrary, the Declarant shall have the right to appoint the Board of Directors as follows: During the Period of Declarant Control, the Declarant as defined in the Declaration, or persons designated by him or her, subject to certain limitations, may appoint and remove the officers and Directors of the Board. The Period of Declarant Control shall terminate no later than either sixty (60) days after conveyance of seventy-five (75%) percent of the Units, which may be created, to Owners other than the Declarant, two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or two (2) years after any right to add new Units was last exercised. A Declarant may voluntarily surrender the right to appoint and remove officers and Directors of the Board before termination of the Period of Declarant Control, but in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(3) Not later than sixty (60) days after conveyance of twenty-five (25%) percent of the Units, which may be created, to Owners other than the Declarant, at least one member, and not less than twenty-five (25%) percent of the members of the Board shall be elected by the Owners, other than the Declarant. Not later than sixty (60) days after conveyance of fifty (50%) percent of the Units, which may be created, to Owners other than a Declarant, not less than one-third (1/3) of the members of the Board must be elected by the Owners other than the Declarant.

Section 2. Annual and Regular Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held during the same month of each year thereafter at a place, date and time, within El Paso County, Colorado, as the Board of Directors may determine. "Regular meetings" shall refer to meetings, if any, which are set by the Board on a regular basis (for example, monthly or quarterly meetings of Members) and which are not annual or special meetings.

Section 3. Special Meetings.

(a) The Association shall hold a special meeting of its Members:

(i) On call of its Board of Directors or the person or persons authorized by the Bylaws or resolution of the Board of Directors to call such a meeting; or

(ii) If the Association receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by Members holding at least ten percent of all votes entitled pursuant to the Bylaws to be cast on any issues proposed to be considered at the meeting.

(b) If not otherwise fixed under C.R.S. 7-127-103 or 7-127-106, the record date for determining the Members entitled to demand a special meeting pursuant to paragraph (a)(ii) above is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is sixty days before the date the first such demands is received by the Association, whichever is later.

(c) If a notice for a special meeting demanded pursuant to paragraph (a)(ii) above is not given pursuant to C.R.S. 7-127-104 within thirty days after the date the written demand or demands are delivered to a corporate officer, regardless of the requirements of paragraph (d) below, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to C.R.S. 7-127-104.

(d) Special meetings of the Members may be held in or out of this state at the place stated in or fixed in accordance with the Bylaws, or, if not so stated or fixed, at a place stated or fixed in accordance with a resolution of the Board of Directors. If no place is so stated or fixed, special meetings shall be held at the Association's principal office.

(e) Only business within the purpose or purposes described in the notice of the meeting required by C.R.S. 7-127-104(3) may be conducted as a special meeting of the Members.

Section 4. Notice of Meetings.

(a) Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the secretary or other officer specified in the Bylaws 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 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 Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

(b) The Association shall give to each Member who is entitled to vote at the meeting notice consistent with its Bylaws of meetings of Members in a fair and reasonable manner.

(c) Any notice that conforms to the requirements of paragraph (c) below is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

(d) Notice is fair and reasonable if:

(i) The Association notifies by hand delivery its Members of the place, date, and time of each annual, regular, and special meeting of Members no fewer than ten (10) days nor more than fifty (50) days before the meeting date, or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days, nor more than fifty (50) days before the meeting date, and if notice is given by newspaper as provided in C.R.S. 7-121-402(2), the notice must be published five separate times with the first such publication no more than ninety days, and the last such publication no fewer than ten days, before the meeting date.

(ii) Notice of an annual or regular meeting includes a description of any matter or matters that must be approved by the Members or for which the Members' approval is sought under C.R.S. 7-128-501, 7-129-110, 7-130-103, 7-130-201, 7-131-102, and 7-134-102. 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 Bylaws, any budget changes, and any proposal to remove an officer or member of the Board; and

(e) Unless otherwise provided by articles 121 to 137 of the Nonprofit Act or the Bylaws, notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

(f) Members may waive notice as provided by C.R.S. 7-127-105.

(g) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. 7-127-106, however, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.

(h) When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member intends to raise at the meeting if:

(i) Requested in writing to do so by a person entitled to call a special meeting; and

(ii) The request is received by the secretary or president of the Association at least ten days before the Association gives notice of the meeting.

(i) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. 7-127-106 or otherwise. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. 7-127-201.

Section 5. Action Taken Without Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting and without prior notice or a vote, if Members entitled to vote thereon unanimously agree and consent to such action in writing; such action shall be taken in accordance with C.R.S. 7-127-107 of the Nonprofit Act. Action may also be taken by means of C.R.S. 7-127-109.

Section 6. Quorum.

(a) The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty-three percent (33%) of the Proportionate Interests of all Members shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The Association may impose fines upon Members who fail to duly execute and return proxies for meetings.

(b) Once a Member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

Section 7. Proxies.

(a) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided in Section 7(d) below. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

(b) A Member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the transmitted appointment shall set forth or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(c) An appointment of a proxy is revocable by the Member.

(d) Appointment of a proxy is revoked by the person appointing the proxy:

(i) Attending any meeting and voting in person; or

(ii) Signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.

Section 8. Majority of Members. As used in these Bylaws, the term "majority of Members" shall mean fifty-one percent (51%) of the combined votes, based upon Proportionate Interests, cast by all Members present at a meeting containing a quorum. Except as otherwise provided herein, an affirmative vote of a majority of the Members present, in person or by proxy, at a meeting containing a quorum, shall be required to transact the business of the meeting and shall be valid and binding upon all Owners.

Section 9. Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The property, business and affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall be composed of three Directors, who shall be appointed by the Declarant. The number of Directors may be changed thereafter by amendment of these Bylaws. Directors shall be Owners as defined in the Declaration. Notwithstanding any contrary provision of these Bylaws or the Association's Articles of Incorporation, the Declarant may appoint or remove any officer of the Association or any Member of the Board of Directors of the Association as provided in the Declaration. Following the relinquishment of control by Declarant, the Owners shall elect the Board as provided in the Declaration, the Articles of Incorporation and the Bylaws. At each annual meeting after the Period of Declarant Control, the number of Directors and their terms of office may be increased or decreased by an affirmative vote of a majority of Members at any annual meeting, but such changes shall not be effective until the next annual meeting.

Section 2. Term of Office.

(a) The initial Board of Directors shall serve and shall continue in office until their successors are duly elected and installed after the first meeting, which follows the termination of the Period of Declarant Control or after a meeting called by the Board for the purpose of electing Directors. At that first membership meeting, the Members shall elect one-third (1/3) of the Directors for one-year terms, one-third (1/3) of the Directors for two-year terms and one-third (1/3) of the Directors for three-year terms, and at each annual meeting thereafter, the Members shall elect the same number of Directors as there are Directors whose terms are then expiring, for terms of three years. The terms of at least one-third (1/3) of the Directors shall expire annually.

(b) The term of any Director filling a vacancy expires at the end of the unexpired term that such Director is filling. Vacancies shall be filled as provided by C.R.S. 7-128-120 of the Nonprofit Act. Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of Directors. A Director whose term has ended may deliver to the Colorado Secretary of State for filing a statement to that effect pursuant to C.R.S. 7-136-108.

Section 3. Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by such officer.

Section 4. Removal.

(a) Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners by a vote of sixty-seven percent of all Proportionate Interests present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board with or without cause, other than a member appointed by the Declarant or a member elected pursuant to a class vote under C.R.S. 38-33.3-207(4). Directors elected by voting Members or elected by other Directors may be removed as follows:

(i) The voting Members may remove one or more Directors elected by them with or without cause.

(ii) Subject to C.R.S. 7-127-208(3), a Director may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors.

(iii) A Director elected by voting Members may be removed by the voting Members only at a meeting called for the purpose of removing that Director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the Director.

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(iv) An entire Board of Directors may be removed under paragraphs (i) to (iii) above.

(v) A Director elected by the Board of Directors may be removed with or without cause by the vote of a majority of the Directors then in office or such greater number as is set forth in the bylaws; except that a Director elected by the Board of Directors to fill the vacancy of a Director elected by the voting Members may be removed without cause by the voting Members, but not the Board of Directors.

(b) A Director who is removed pursuant to the Bylaws may deliver to the Colorado Secretary of State for filing a statement to that effect pursuant to C.R.S. 7-136-108.

(c) An appointed Director may be removed without cause by the Declarant appointing the Director. The person removing the Director shall do so by giving written notice of the removal to the Director and to the Association. A removal is effective when the notice is received by both the Director to be removed and the Association unless the notice specifies a future effective date.

(d) If, at the beginning of a Director's term on the Board, any rules adopted by the Board pursuant to the Bylaws provide that a Director may be deemed to have resigned for failing to attend a specified number of Board meetings, or for failing to meet other specified obligations of Directors, and if such failure to attend or meet obligations is confirmed by an affirmative vote of the Board of Directors, than such failure to attend or meet obligations shall be effective as a resignation at the time of such vote of the Board.

Section 5. Compensation. No Director shall receive compensation for any service which he or she may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors and complies with C.R.S. 7-128-202. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. After termination of the Period of Declarant Control, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors 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 Board of Directors as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled.

Section 2. Election. After termination of the Period of Declarant Control, election to the Board of Directors 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 persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Directors shall thereafter be elected at the Association's annual meeting. In an election of multiple Directors, that number of candidates equaling the number of Directors to be elected, having the highest number of votes cast in favor of their election, are elected to the Board of Directors. When only one Director is being voted upon, the affirmative vote of a majority of the Members constituting a quorum at the meeting at which the election occurs shall be required for election to the Board of Directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held with such frequency and at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

Section 2. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter 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 legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two or more Directors, upon three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, the place and the purpose of the meeting.

Section 4. Notice and Waivers.

(a) Unless otherwise provided in articles 121 to 137 of the Nonprofit Act or in these Bylaws, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any meeting may be held as allowed by C.R.S. 7-128-201.

(b) Unless the bylaws provide for a longer or shorter period, special meetings of the Board of Directors shall be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by articles 121 to 137 of the Nonprofit Act or these Bylaws.

(c) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by paragraph (b) below, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(d) A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless:

(i) At the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(ii) If special notice was required of a particular purpose pursuant to C.R.S. 7-128-203(2), the Director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 5. Quorum.

(a) 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, there be less than a quorum present, 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.

(b) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this paragraph and as permitted by C.R.S. 7-128-202, Directors may not vote or otherwise act by proxy.

(c) A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless:

(i) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(ii) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(iii) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this paragraph as to a specific action is not available to a Director who votes in favor of the action taken.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the powers stated in the Declaration, Articles of Incorporation, these Bylaws, the Nonprofit Act, the CCIOA, and as provided by law, statute, or otherwise, and, subject to the limitations set forth in those documents and statutes, the Board shall have the following powers:

(a) adopt and publish rules and regulations and establish penalties for the infraction thereof. A rule or regulation shall not be in conflict with the Declaration or these Bylaws. Except in emergencies a copy of such rules and regulations shall be delivered by hand to each Condominium Unit or mailed to each Member upon the adoption thereof and shall be effective on the fifth day after delivery or mailing;

(b) suspend any Member's right to vote and the use of any of the Association's facilities during any period in which such Member shall be in default under the Declaration, including without limitation, the non-payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property;

(d) incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the Common Elements and facilities and all items of common personal property;

(e) declare the office of a Director of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(f) employ the services of a property manager or managing agent, or both, to whom the Board of Directors may delegate any of its powers and duties; provided, however, the Board when so

delegating shall not be relieved of its responsibility under the Declaration; and provided further, any such delegation shall comply with C.R.S. 38-33.3-306(3).

(g) employ independent contractors and such other employees as they deem necessary, and to delegate any of the Board's powers and duties to them and to prescribe their duties, subject to the provisions of the Declaration; and

(h) designate and remove personnel necessary for the operation, maintenance, repair, and replacement of the Common Elements.

(i) approve such sales of property, distributions, mergers and dissolution as permitted by the Declaration, the CCIOA and the Nonprofit Act.

Section 2. Duties. Subject to the Declaration, Articles of Incorporation, these Bylaws, statute and law, it shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by the Members who are entitled to vote at least twenty percent (20%) of all of the votes of the membership;

(b) provide such supervision of all officers, agents and employees of this Association as the Board deems reasonably necessary and appropriate;

(c) as more fully provided in the Declaration, to fix the amount of the assessments and charges against each Condominium Unit and Owner, and to collect all sums owed the Association by the rights and remedies set forth in the Declaration, in the rules and regulations, and in law or statute;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate as provided in the Declaration setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

(e) procure and maintain adequate liability and hazard insurance on the property owned by the Association, insure and keep insured all of the insurable Common Elements facilities in an amount equal to the maximum replacement value for the benefit of all Condominium Owners and their first mortgagees and procure and maintain all other insurance permitted or required by the Declaration;

(f) cause all officers or employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration and C.R.S. 38-33.3-306(3). The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the Board;

(g) cause the Common Elements to be maintained and to make repairs, additions, alterations and improvements in the manner consistent with the best interests of the Condominium Owners;

(h) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Condominium Owners, and to cause an annual accounting for Association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant. All persons or managing agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or managing agent and shall maintain all reserve accounts of this Association so managed separate from operational accounts of this Association;

(i) meet as often as the Board deems reasonable and appropriate.

Section 3. No Waiver of Rights. The omission, delay, or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Articles of Incorporation, the Bylaws or rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, estoppel, modification, or release thereof, and the Board of Directors, the Association, or any Member shall have the right to enforce the same thereafter.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of the Association shall be a President and a Vice-President, who shall at all times be Members of the Board of Directors and a Secretary and a Treasurer, and such other officers as the Board of Directors shall, from time to time, elect. The office of Treasurer and Secretary may be held by the same person. The offices of Secretary, Treasurer and officers other than the President and Vice-President need not be held by Members of the Board of Directors. The powers and duties of the officers shall be subject to the provisions and limitations of the Declaration, Articles of Incorporation, these Bylaws, and law and statute.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members; provided, however, during the Period of Declarant Control, the Declarant may appoint the officers, but thereafter the Board of Directors elects the officers to continue in office until their successors are elected.

Section 3. Term. Except as provided in Section 2 of this Article, each officer of the Association shall be elected annually by the Board, and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal.

(a) Any officer may be removed from office with or without cause by the Board.

(b) An officer may resign at any time by giving written notice of resignation to the Association. A resignation of an officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board of Directors may remove the officer at any time before the effective date and may fill the resulting vacancy.

(c) An officer who resigns or is removed or whose appointment has expired may deliver to the Colorado Secretary of State for filing a statement to that effect pursuant to C.R.S. 7-136-108.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Duties. Except as performed by any managing agent, the duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors and of the Owners; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes. Further, the President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as the Board may, in its discretion, decide are 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.

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of any meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; shall, in general, perform all duties incident to the office of secretary, and shall perform such other duties as required by the Board.

(d) The Treasurer shall keep the financial records and books of account and shall receive and deposit in appropriate governmentally insured accounts all monies of the Association and

shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review or audit of the Association books to be made as required or permitted by these Bylaws; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and provide for delivery of the budget and statement as required by the Board and by statute, including without limitation, C.R.S. 38-33.3-303(4). In the event a managing agent has the responsibility of collecting and disbursing funds and performing the duties described in this paragraph, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter.

(e) The President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association following their adoption as provided therein.

ARTICLE IX

NON LIABILITY OF OFFICERS AND DIRECTORS

9.1 Contracts. Contracts or other commitments made by the Board of Directors or officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

9.2 Indemnification of Officers and Directors. Each officer and Director of the Corporation, now or hereinafter serving in any such capacity, shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including without limitation, the Colorado Revised Nonprofit Corporation Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or officer of the Corporation may otherwise be entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage. No Director or officer shall be personally liable to the Corporation or its Members except as otherwise provided by the Nonprofit Act. Directors and officers shall be indemnified by the Association to the fullest extent allowed by the Declaration, Articles of Incorporation and these Bylaws and by law and statutes, including without limitation, C.R.S. 7-129-101 through 107.

9.3 Non-liability. The Directors, officers, employees and Members of the Association are not, as such, personally liable for the acts, debts, or obligations of the Association.

9.4 Standards. Except as may be allowed by the Declaration and the Nonprofit Act, Directors and officers shall comply with the standards set forth in C.R.S. 7-128-401 and 7-128-501 and shall be indemnified as provided therein.

ARTICLE X

COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose, including, without limitation, an architectural control committee or other committees pursuant to C.R.S. 7-128-206 of the Nonprofit Act or to appoint itself as any committee under the Declaration or the Nonprofit Act, and to adopt rules, if any, for procedures and appeals from committees to the Board.

ARTICLE XI

BOOKS AND RECORDS

The Association shall make available to Owners and lenders, and to holders, insurers or guarantors of any First Mortgage, current copies of the Declaration, Articles of Incorporation, Bylaws, other rules concerning the Project and the books, records, records of receipts and expenditures, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. Additionally, if the Project contains fifty (50) or more Condominium Units, the Association shall provide an audited, annual financial statement to any First Mortgagee upon written request. If the Project contains less than fifty (50) Condominium Units, the holders of fifty-one percent (51%) or more of First Mortgagees shall be entitled to have an audited financial statement prepared at their expense if one is not otherwise available; said financial statement shall be furnished within a reasonable time following such request. Further, the Association shall, if requested in writing, notify each First Mortgagee recorded on its books of any proposed amendment of the Association's Declaration, Articles of Incorporation or Bylaws or any other action requiring the First Mortgagee's consent at least ten (10) days prior to the effective date of such amendment or action. Within fourteen (14) calendar days as provided by C.R.S 38-33.3-316(8) and upon payment of a reasonable fee, 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 addition, the Association shall comply with the Nonprofit Act, including without limitation, G.R.S. 7-136-101 through 106.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, in the rules and regulations, and as provided by law, statute, or otherwise, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If any assessment is not paid when due, the Association may impose an administrative fee as set forth in the rules and regulations, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or may foreclose the lien against his Condominium Unit, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorneys' fee to be

fixed by the court, together with the expenses and costs of the action, and the Association may exercise any other rights and remedies, concurrently, independently, or successively.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE XIV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, with a quorum present, by a vote of Members holding at least sixty-seven percent (67%) of the Proportionate Interests of the Members present in person or by proxy, except that any amendments shall require the prior written approval of the Federal Housing Administration or the Department of Veterans Affairs so long as there is the Period of Declarant Control as defined by the Declaration, and except further that the said Declarant reserves the right, until the Period of Declarant Control is terminated, but without the vote of the Owners, to make amendments to these Bylaws as may be approved in writing by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Administration or the Department of Veterans Affairs so as to induce any of such organizations to make, purchase, sell, issue, or guarantee First Mortgages in this Project, or as may be necessary to correct typographical errors or make clarifications, and provided further, that no amendment to these Bylaws shall be contrary to or inconsistent with the provisions of the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the event of any ambiguity herein, these Bylaws shall be interpreted so as to be in compliance with the Colorado Common Ownership Act or other applicable statute or law and shall not be amended or modified so as to be in conflict with any statute or law.

ARTICLE XV

MISCELLANEOUS

Unless the Board of Directors determines otherwise, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the Directors of the ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC., have hereunto set our hands this 12th day of SEPTEMBER, 2002.

[Signature]
[Signature]
[Signature]

CERTIFICATION

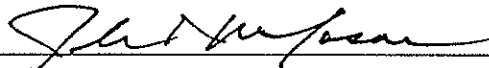
I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the ARBORS AT MOUNTAIN SHADOWS CONDOMINIUM OWNERS ASSOCIATION, INC., a Colorado Nonprofit Corporation, and

THAT the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the 12TH day of SEPTEMBER, 2002.

IN WITNESS WHEREOF I have hereunto subscribed my name and affixed the seal of said Association this 20TH day of September, 2002.




Secretary