

BYLAWS
OF THE
HOMESTEAD AT THREE PEAKS HOMEOWNERS ASSOCIATION, INC.

TABLE OF CONTENTS

ARTICLE 1 – INTRODUCTION, PURPOSES, AND DEFINITIONS.....	1
1.1 Introduction.....	1
1.2 Purposes.....	1
1.3 Definitions.....	1
ARTICLE 2 – MEMBERSHIP.....	1
2.1 Membership.....	1
2.2 Suspension of Rights.....	1
2.3 Membership Certificates.....	1
2.4 Voting Rights.....	2
ARTICLE 3 – MEETINGS OF OWNERS.....	2
3.1 Annual Meetings.....	2
3.2 Special Meetings.....	2
3.3 Budget Meetings.....	2
3.4 Notice of Meetings.....	2
3.5 Owner Addresses for Notices.....	2
3.6 Place of Meetings.....	3
3.7 Quorum of Owners.....	3
3.8 Adjournment of the Meeting.....	3
3.9 Voting.....	3
3.10 Proxies.....	3
3.11 Majority Vote.....	3
3.12 Waiver of Notice.....	4
3.13 Voting by Mail.....	4
ARTICLE 4 – EXECUTIVE BOARD.....	4
4.1 Number and Qualification.....	4
4.2 Election.....	4
4.3 Term of Office for Directors.....	4
4.4 Removal of Directors.....	5
4.5 Vacancies.....	5
4.6 Compensation.....	5
ARTICLE 5 – MEETINGS OF THE EXECUTIVE BOARD.....	5
5.1 Regular Meetings.....	5
5.2 Special Meetings.....	5
5.3 Location of Meetings and Open Meetings.....	5
5.4 Waiver of Notice.....	6
5.5 Quorum.....	6
5.6 Proxies.....	6
5.7 Consent to Corporate Action.....	6
5.8 Telephone Communication in Lieu of Attendance.....	6

ARTICLE 6 – POWERS AND DUTIES OF THE EXECUTIVE BOARD.....	6
6.1 Powers and Duties.....	6
6.2 Managing Agent.....	8
6.3 Limits on Delegation, Requirements for Association Funds, and Financial Statements.....	8
ARTICLE 7 – OFFICERS AND THEIR DUTIES.....	9
7.1 Enumeration of Offices.....	9
7.2 Election of Officers.....	9
7.3 Special Appointments.....	9
7.4 Resignation and Removal.....	9
7.5 Vacancies.....	9
7.6 Duties.....	10
7.7 Delegation of Duties.....	10
7.8 Agreements, Contracts, Deeds, Checks, Etc.....	10
7.9 Statements of Unpaid Assessments.....	10
7.10 Compensation.....	11
ARTICLE 8 – COMMITTEES.....	11
ARTICLE 9 – ENFORCEMENT.....	11
9.1 Abatement and Enjoinment of Violations by Owners.....	11
9.2 Fines for Violation.....	11
ARTICLE 10 – BOOKS AND RECORDS.....	12
10.1 Records.....	12
10.2 Examination.....	12
ARTICLE 11 – INDEMNIFICATION.....	12
11.1 Actions other than by or in the Right of the Association.....	12
11.2 Actions by or in the Right of the Association.....	13
11.3 Successful on the Merits.....	13
11.4 Determination Required.....	13
11.5 Payment in Advance of Final Disposition.....	14
11.6 No Limitation of Rights.....	14
11.7 Directors and Officers Insurance.....	14
ARTICLE 12 – AMENDMENTS.....	14
12.1 Procedure for Amendments.....	14
12.2 Restrictions on Amendments.....	14
ARTICLE 13 – MISCELLANEOUS.....	15
13.1 Notices to the Association.....	15
13.2 Waiver.....	15
13.3 Office.....	15
13.4 Working Capital.....	15

13.5	Compliance with the Act.....	15
13.6	Conflict between Documents.....	15
13.7	Corporate Seal.....	15
13.8	Fiscal Year.....	15
13.9	Interpretation.....	15

**BYLAWS
OF THE
HOMESTEAD AT THREE PEAKS HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE 1
INTRODUCTION, PURPOSES, AND DEFINITIONS**

1.1 Introduction. These are the Bylaws of the Homestead at Three Peaks Homeowners Association, Inc., (the "Association"), which Association operates under the Colorado Nonprofit Corporation Act, as amended, and applicable portions of the Colorado Common Interest Ownership Act, as amended (the "Act").

1.2 Purposes. The purposes for which the Association was formed are to preserve and enhance the value of the properties of Owners and to operate, govern, manage, supervise, and care for The Homestead at Three Peaks (the "Community") and the Common Elements of the Community situated in the County of Summit, Colorado, as the Community was created pursuant to the Declaration of Covenants, Conditions, and Restrictions of the Homestead at Three Peaks (the "Declaration").

1.3 Definitions. Terms beginning with a capital letter and not otherwise defined herein shall have the meanings set forth in the Declaration.

**ARTICLE 2
MEMBERSHIP**

2.1 Membership. Every person or entity who is a record Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Ownership of a Lot shall be the sole qualification for membership. Such membership shall terminate without any formal action whatsoever when such person ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, nor shall such termination impair any rights or remedies that the Executive Board or others may have against such former Owner arising out of the ownership of a Lot, membership in the Association, and the covenants and obligations incident thereto.

2.2 Suspension of Rights. During any period in which an Owner is in default of the payment of any Assessment levied by the Association, the voting rights and right to use any recreational facilities of the Community by such Owner shall be deemed suspended by the Executive Board, without notice or hearing, until such Assessment has been paid. Such rights of an Owner may also be suspended, after notice or hearing, during any period of violation of any other provision of the Declaration, the Articles of Incorporation, these Bylaws, or any rules and regulations established by the Executive Board.

2.3 Membership Certificates. No certificates of stock shall be issued by the Association, but the Executive Board, if it so elects, may issue membership cards to Owners.

Such membership cards shall be surrendered to the secretary of the Association (the "Secretary") whenever a person's or entity's ownership of the Lot designated on the card terminates.

2.4 Voting Rights. Each Lot shall be allocated one vote in the affairs of the Association. The Association shall not have a vote with respect to any Lot that may be owned by it. Declarant shall be entitled to one vote with respect to any Lot owned by it.

ARTICLE 3 MEETINGS OF OWNERS

3.1 Annual Meetings. An annual meeting of the Owners shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Executive Board and set forth in the notice ("Annual Meeting"). At Annual Meetings, the directors shall be elected by ballot of the Owners, in accordance with the provisions of these Bylaws, the Declaration, and the Articles of Incorporation. The Owners may transact other business as may properly come before them at these meetings. Failure to hold an Annual Meeting shall not work a forfeiture or dissolution of the Association.

3.2 Special Meetings. Special meetings of the Association may be called by the president of the Association (the "President"), by a majority of the directors, or by a petition signed by Owners comprising 20% of the votes in the Association.

3.3 Budget Meetings. Meetings to consider proposed budgets shall be called in accordance with the Act. The Executive Board shall prepare and approve a budget at least annually. Within 30 days after the Executive Board's adoption of the proposed budget, the Executive Board shall mail or deliver a summary of the budget to all Owners and set a date for a special or Annual Meeting of the Owners to consider ratification of the budget. Notice for the meeting at which the budget will be considered by the Owners must be mailed not less than 14 days nor more than 60 days before the meeting. At the meeting, unless a majority of the Owners reject the budget, the budget is ratified. A quorum of Owners need not be present at the meeting, if the meeting is just a budget meeting, but a quorum is required if the meeting is also an Annual Meeting. If the proposed budget is rejected by a majority of Owners, the budget last ratified by the Owners is continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board.

3.4 Notice of Meetings. Written notice of each meeting of Owners shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least ten days, but not more than 50 days, before such meeting to each Owner entitled to vote. Notice may be provided by telephone, facsimile, e-mail, or by first class mail, postage pre-paid. Such notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No matters shall be heard nor action adopted at a special meeting except as stated or allowed in the notice.

3.5 Owner Addresses for Notices. Unless a Owner has notified the Association by registered or certified mail of a different address, any notice required to be given, or otherwise given by the Association under these Bylaws to any Owner or any other written instrument to be

given to any Owner, may be mailed to such Owner in a postage prepaid envelope and mailed by first-class, registered, or certified mail to the address of the Lot shown upon the Association's records as being owned by such Owner. If more than one Owner owns a particular Lot, then any notice or other written instrument may be addressed to all such Owners and may be mailed in one envelope in accordance with the foregoing. Any notice or other written instrument given by the Association in accordance with the foregoing will be deemed to have been given on the date that it is mailed.

3.6 Place of Meetings. Meetings of the Owners shall be held in the Community or in a suitable place convenient to the Owners, and may be adjourned to a suitable place convenient to the Owners, as may be designated by the Executive Board or the President.

3.7 Quorum of Owners. The presence at the meeting of Owners, in person or by proxy, entitled to cast 25% of all the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, and these Bylaws. If the required quorum is not present at a meeting, the Owners who are present shall have power to adjourn the meeting to another time.

3.8 Adjournment of the Meeting. At any meeting of Owners, the meeting may be adjourned to another time by a vote of a majority of Owners present in person and eligible to cast votes regardless of whether a quorum is present.

3.9 Voting. At all meetings of Owners, each Owner may vote in person or by proxy. If only one of several Owners of a Lot is present at a meeting of the Association, the Owner present is entitled to cast the vote allocated to the Lot. If more than one of the Owners of a Lot is present, the vote allocated to that Lot may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement exists if any one of the Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of that Lot. Votes allocated to Lot owned by the Association may not be cast.

3.10 Proxies. The vote allocated to a Lot may be cast under a proxy duly executed by an Owner. All proxies shall be in writing and filed with the Secretary or designee of the Association. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of the vote by the other Owners of the Lot through a duly executed proxy. An Owner may revoke a proxy given under this section only 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 months after its date, unless it specifies a shorter term or a specific purpose.

3.11 Majority Vote. The vote of a majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation, or by law.

3.12 Waiver of Notice. Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

3.13 Voting by Mail. The Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by mail. In case of a vote by mail, the Secretary shall mail written notice to all Owners at the Owner's address as it appears in the records of the Association. The notice shall include: (a) a proposed written resolution setting forth a description of the proposed action; (b) a statement that Owners are entitled to vote by mail for or against such proposal; and (c) a date, at least 30 days after the date such notice shall have been given, on or before which all votes must be received at the office of the Association at the address designated in the notice. Voting by mail shall be acceptable in all instances in the Declaration, the Articles of Incorporation, or these Bylaws requiring the vote of Owners at a meeting.

ARTICLE 4 EXECUTIVE BOARD

4.1 Number and Qualification. The affairs of the Community and the Association shall be governed by an Executive Board which shall consist of at least three directors, each of whom, except directors elected to the Executive Board by Declarant, must be an Owner. At any meeting at which directors are to be elected, the Owners may, by resolution, adopt specific procedures that are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

4.2 Election.

(a) Election of Directors during the Declarant Control Period. The Declaration shall govern the election of directors to the Executive Board during the Declarant Control Period, as allowed under the Act.

(b) Election of Directors by Owners after the Declarant Control Period. The Executive Board shall be elected by the Owners at the Annual Meeting. The Owners may adopt specific procedures that are not inconsistent with these Bylaws or the Act for conducting the elections by written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. The Executive Board elected by the Owners after the Declarant Control Period has terminated must consist of at least three Owners, each of whom must be an Owner who occupies his or her Lot as his or her primary residence for at least six months out of each year. These Bylaws may be amended from time to time to increase the number of directors on the Executive Board to any odd number greater than three. No tenant of any Lot may be elected to serve as a director on the Executive Board.

4.3 Term of Office for Directors. The terms of office of each director shall be three years or until such time as a successor is elected. The terms of at least one-third of the directors shall expire annually.

4.4 Removal of Directors. The Owners, by a vote of at least two-thirds of the votes at any meeting of the Owners at which a quorum of Owners is present, may remove a director, other than a director appointed by Declarant, with or without cause, during that director's term. The entire Executive Board may be removed, with or without cause, at any meeting of Owners at which a quorum is present, by a vote of two-thirds of the Owners. Directors appointed by Declarant may not be removed by the Owners under this section of the Bylaws. Directors sought to be removed shall have the right to be present at such meeting and shall be given the opportunity to speak to the Owners prior to a vote to remove being taken. The Owners by majority vote shall then elect such new directors to the Executive Board to replace those directors removed and designate the unexpired term to which each new director is elected.

4.5 Vacancies. Vacancies in the Executive Board caused by any reason (other than removal) may be filled by the Executive Board at any time after the occurrence of the vacancy, even though the directors present at that meeting may constitute less than a quorum. These appointments shall be subject to the reserved rights of Declarant to appoint directors, unless those rights have expired, in which event, appointments shall be made by a majority of the remaining elected directors constituting the Executive Board. Each person so appointed shall be a director who shall serve for the remainder of the unexpired term.

4.6 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by a majority of the votes in the Association at an Annual or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Executive Board prior to entering into such contract, and such contract was approved by a majority of the disinterested directors on the Executive Board.

ARTICLE 5 MEETINGS OF THE EXECUTIVE BOARD

5.1 Regular Meetings. Regular meetings of the Executive Board shall be held at least twice per year at such place and hour as may be fixed by the Executive Board, without notice. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings, except as may be required by law.

5.2 Special Meetings. Special meetings of the Executive Board shall be held when called by the President, or by any two directors, after not less than one day's notice to each director. The notice shall be delivered in a manner whereby confirmation of receipt of the notice is received, and shall state the time, place, and purpose of the meeting.

5.3 Location of Meetings and Open Meetings. All meetings of the Executive Board shall be open to attendance by the Owners, as provided by applicable Colorado law. All meetings of the Executive Board shall be held within County of Summit, Colorado unless all directors consent in writing to another location.

5.4 Waiver of Notice. Any director may waive notice of any meeting in writing. Attendance by a director at any meeting of the Executive Board shall constitute a waiver of notice. If all the directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

5.5 Quorum. At all meetings of the Executive Board, a majority of the directors shall constitute a quorum for the transaction of business. The votes of a majority of the directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting.

5.6 Proxies. For the purposes of determining a quorum with respect to a particular proposal and for the purposes of casting a vote for or against that particular proposal, a director may execute a proxy in writing to be held by another director. The proxy shall specify either a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies that do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present or as a vote on the particular proposal before the Executive Board.

5.7 Consent to Corporate Action. The directors shall have the right to take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors. The Secretary shall file these consents with the minutes of the meetings of the Executive Board.

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

ARTICLE 6 POWERS AND DUTIES OF THE EXECUTIVE BOARD

6.1 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws, the Act, and the Colorado Nonprofit Corporations Act. The Executive Board shall have, subject to the limitations contained in the Declaration, the Act, and the Colorado Nonprofit Corporations Act, the powers and duties necessary for the administration of the affairs of the Association and of the Community, and for the operation and maintenance of the Community as a first class property, including the following powers and duties:

(a) adopt and amend these Bylaws and any rules and regulations for the Association;

(b) adopt and amend budgets for revenues, expenditures, and reserves (subject to the budget being distributed to the Owners and not vetoed by the Owners at a meeting of the Owners, as that procedure is set forth in the Declaration, the Act, and in these Bylaws);

(c) as a part of the adoption of the regular budget the Executive Board shall include an amount that, in its reasonable business judgment, will establish and maintain a reserve fund for the replacement of those improvements that it is obligated to maintain, based upon age, remaining life, and the quantity and replacement cost of major Common Element improvements;

(d) collect Assessments for Common Expenses from Owners;

(e) hire and discharge managing agents, provided that any agreement for professional management of the Community may not exceed one year. Any such agreement must provide for the termination by either party without cause and without payment of a termination fee or penalty upon 30 days written notice;

(f) hire and discharge employees, independent contractors, and agents other than managing agents;

(g) institute, defend, or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, these Bylaws, or any rules and regulations promulgated by the Executive Board in the Association's name, on behalf of the Association, or on behalf two or more Owners on matters affecting the Community;

(h) make contracts and incur liabilities;

(i) regulate the use, maintenance, repair, replacement, and modifications of Common Elements;

(j) cause additional improvements to be made as a part of the Common Elements;

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

(l) grant easements for any period of time, including permanent easements, and grant leases, licenses, and concessions for no more than one year through or over the Common Elements;

(m) impose and receive a payment, fee, or charge for services provided to Owners and for the use, rental, or operation of the Common Elements, other than Limited Common Elements described in Sections 202(1)(b) and (d) of the Act;

(n) impose a reasonable charge for late payment of Assessments and, after notice and hearing, levy reasonable fines or Assessments provided for or allowed in the Declaration, these Bylaws, and any rules and regulations of the Association;

(o) keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;

(p) borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary and give security therefor;

(q) impose a reasonable charge for the preparation and recording of amendments to the Declaration liens, or statements of unpaid Assessments;

(r) provide for the indemnification of the Association's officers and the Executive Board and maintain directors' and officers' liability insurance;

(s) procure and maintain adequate liability and hazard insurance on property owned by the Association and as further set forth in the Declaration;

(t) cause all directors, officers, employees, or agents of the Association having fiscal responsibilities to be bonded or insured, as it may deem appropriate and in such amounts as it may deem appropriate;

(u) declare the office of a director to be vacant if such director is absent from three consecutive regular meetings of the Executive Board;

(v) exercise for the Association all powers, duties, rights, and obligations in or delegated to the Association and not reserved to the Owners by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, or the Act; and

(w) exercise any other powers conferred by the Declaration or these Bylaws.

6.2 Managing Agent. The Executive Board may employ a manager or managing agent, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. Licenses, concessions, and contracts may be executed by the managing agent pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget. Regardless of any delegation to a manager or managing agent, the directors shall not be relieved of responsibilities under the Declaration, the Articles of Incorporation, these Bylaws, or Colorado law.

6.3 Limits on Delegation, Requirements for Association Funds, and Financial Statements. Pursuant to the Act, if the Association has 30 or more Lots, and the Association delegates powers of the Executive Board or officers relating to collection, deposit, transfer, or

disbursement of Association funds to other persons or to a manager or managing agent, the Association requires the following:

(a) that the other persons or managing agent maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the Executive Board may require;

(b) that the other persons or managing agent 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 maintain all reserve accounts of each Association so managed separate from operational accounts of the Association; and

(c) that an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE 7 OFFICERS AND THEIR DUTIES

7.1 Enumeration of Offices. The officers of this Association shall be a President, vice-president ("Vice President"), Secretary, treasurer ("Treasurer"), and such other officers as the Executive Board may from time to time create by resolution. The offices of Secretary and President may not be held by the same person. Otherwise, one person may simultaneously hold more than one of any of the other offices.

7.2 Election of Officers. The officers shall be elected by the Executive Board at the organizational meeting of each new Executive Board. The officers shall hold office at the pleasure of the Executive Board.

7.3 Special Appointments. The Executive 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 Executive Board may, from time to time, determine.

7.4 Resignation and Removal. Any officer may resign at any time by giving written notice to the Executive 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. Acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed from office with or without cause by a majority of the Executive Board.

7.5 Vacancies. A vacancy in any office may be filled by a majority vote of the Executive Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

7.6 Duties. The Duties of the Officers are as follows:

(a) President. The President shall have all of the general powers and duties which are incident to the office of President of a Colorado nonprofit corporation including, but not limited to, the following: preside at all meetings of the Executive Board; appoint committees; and ensure that orders and resolutions of the Executive Board are carried out. 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.

(b) 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 imposed by the Executive Board or by the President.

(c) Secretary. The Secretary shall have charge or shall keep the minutes of all meetings of the Owners and proceedings of the Executive board. The Secretary shall have charge of the Association's books and papers and shall perform all the 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 the Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

(d) Treasurer. The Treasurer shall be responsible for Association funds and 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 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 Association.

7.7 Delegation of Duties. The duties of any officer may be delegated to the manager or to a director. If an officer delegates his or her duties, the officer shall not be relieved of any responsibility under these Bylaws or under Colorado law.

7.8 Agreements, Contracts, Deeds, Checks, Etc. Except as provided in 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.

7.9 Statements of Unpaid Assessments. The Treasurer, assistant treasurer, a manager employed by the Association, if any, 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 Section 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 Lot for which the certificate or statement is furnished.

7.10 Compensation. Compensation of officers shall be subject to the same limitations as imposed in these Bylaws on compensation of directors.

ARTICLE 8 COMMITTEES

The Association may appoint committees as deemed appropriate in carrying out its purposes. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Executive Board.

ARTICLE 9 ENFORCEMENT

9.1 Abatement and Enjoinment of Violations by Owners. The violation of any of the rules and regulations adopted by the Executive Board or the breach of any provision of the Governing Documents shall give the Executive Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

(a) to enter the Lot or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove at the expense of the defaulting Owner any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Governing Documents, and the Executive Board shall not be deemed liable for any manner of trespass by this action; or

(b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach of the Governing Documents.

9.2 Fines for Violation. Following notice and a hearing, the Executive Board may levy reasonable fines for a violation of the Governing Documents or any rules and regulations of the Association, but this amount shall not exceed that amount necessary to insure compliance with the Governing Documents or rules and regulations of the Association.

9.3 Judicial Proceedings. The Association shall have no authority to initiate, maintain, or prosecute any legal or equitable proceeding except to enforce the provisions of the Declaration and to collect Assessments due and payable under Article V of the Declaration, unless the Owners approve such proceeding by a vote of at least 51% of all of the eligible votes in the Association taken at a special meeting of the Association called for that purpose.

ARTICLE 10
BOOKS AND RECORDS

10.1 Records. The Association or its manager or managing agent, if any, shall keep the following records:

(a) an account for each Lot designating the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Assessment, the dates on which each Assessment comes due, any other fees payable by the Owner(s) of the Lot, the amounts paid on the account and the balance due;

(b) an account for each Owner showing any other fees payable by the Owner;

(c) the most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(d) the current operating budget;

(e) a record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

(f) a record of insurance coverage provided for the benefit of Owners and the Association;

(g) tax returns for state and federal income taxation;

(h) minutes of proceedings of meetings of the Owners, directors, committees of the Executive Board, and waivers of notice; and

(i) a copy of the most current versions of the Declaration, Articles of Incorporation, these Bylaws, and any rules and Resolutions of the Association, along with their exhibits and schedules.

10.2 Examination. The books, records, and papers of the Association shall at all times, during normal business hours, and after reasonable notice be subject to inspection and copying by any Owner, at his or her expense, for any proper purpose as set forth in a "records policy" duly adopted by the Executive Board in compliance with the Act and the Colorado Nonprofit Corporation act. The Executive Board or the manager shall determine reasonable fees for copying.

ARTICLE 11
INDEMNIFICATION

11.1 Actions other than by or in the Right of the Association. The Association shall indemnify any person who was a party, is a party, or is threatened to be made a party to any

action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a director or officer of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees, and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit, or proceeding, if he or she acted in good faith and in a manner reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

11.2 Actions by or in the Right of the Association. The Association shall indemnify any person who was a party, is a party, or who is threatened to be made a party to any action, suit, or proceeding by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a director or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees, and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association. No indemnification shall be made with respect of any claim, issue, or matter as to which such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty in the Association unless, and to the extent that, the court in which such action or suit was brought determines upon application that, in spite of the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

11.3 Successful on the Merits. To the extent that a director, managing agent, officer, employee, fiduciary, or agent of the Association has been wholly successful on the merits in defense of any action, suit, or proceeding as above referred to and allowed, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees, and costs) actually and reasonably incurred him or her in connection therewith.

11.4 Determination Required. Any indemnification under Section 11.1 and 11.2 (unless ordered by a court) shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such individual has met the applicable standard of conduct set forth above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those directors who were not parties to such action, suit, or proceeding or, if a majority of disinterested directors so directs, by independent legal counsel in a written opinion or by directors entitled to vote thereon.

11.5 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current director or officer who is a party to a proceeding in advance of final disposition of the proceeding if (a) the director or officer furnishes to the Association a written affirmation of the director's good faith belief that he or she has met the standard of conduct described in Section 11.1 or Section 11.2, as applicable; (b) the director or officer furnishes to the Association a written understanding, executed personally or on the director's or officer's behalf, to repay the advance if it is ultimately determined that the director or officer did not meet the standard of conduct; and (c) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required in this Section 11.5 shall be an unlimited general obligation of the director or officer but need not be selected and may be accepted without reference to financial ability to make repayment.

11.6 No Limitation of Rights. The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of the Owners or disinterested directors, or otherwise, nor by any rights that are granted pursuant to the Act and the Colorado Nonprofit Corporation Act, as those statutes may be amended from time to time.

11.7 Directors and Officers Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a director or an officer of the Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article.

ARTICLE 12 AMENDMENTS

12.1 Procedure for Amendments. These Bylaws may be amended by the vote of two-thirds of the Executive Board. These Bylaws may also be amended at any Annual Meeting of the Owners or at any special meeting called for the purpose of amending the Bylaws by the affirmative vote of a majority of a quorum of Owners present at the meeting in person or represented by proxy and eligible to vote. Any amendment shall be binding upon every Owner.

12.2 Restrictions on Amendments. No amendment of the Bylaws shall be adopted that would affect or impair the validity or priority of any Security Interest covering any Lot or that would materially change the provisions of the Bylaws with respect to a first lien Security Interest or the interest of any institutional mortgagees of record. Any provision of the Bylaws adopted at a regular or special meeting of the Owners may thereafter only be amended at an Annual or special meeting of the Owners. The Owners shall have no power to amend the Bylaws in such a manner as to change materially the configuration or size of any Lot, to alter or modify the appurtenances to any Lot in a material manner, or to change the proportion of any Owner's interest in the Common Elements without the unanimous consent of all Owners directly affected thereby. No amendment shall serve to shorten the term of a director, provide for the election of a director (other than Declarant) who does not occupy his or her Lot as his or her primary

residence for at least six months each year, conflict with the Act, conflict with the Articles of Incorporation, or conflict with the Declaration.

ARTICLE 13 MISCELLANEOUS

13.1 Notices to the Association. 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 Owners.

13.2 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.

13.3 Office. The principal office of the Association shall be within the Community or at such other place as the Executive Board may from time to time designate.

13.4 Working Capital. A working capital fund is established pursuant to the Declaration. Any amounts paid into this fund shall not be considered as advance payment of Assessments. Each Lot's share of the working capital fund may be collected and then contributed to the Association by Declarant at the time the sale of the Lot is closed or at the termination of the Declarant Control Period. Until paid to the Association, the contribution to the working capital shall be considered an unpaid Assessment.

13.5 Compliance with the Act. These Bylaws are intended to comply with the requirements of the Act. If any of these Bylaws conflict with the provisions of the Act, the provisions of the Act will govern the Association.


13.6 Conflict between Documents. In the case of any conflict between any of the organizational documents of the Association, including any rules and regulations promulgated by the Executive Board, the documents prevail and govern the Association in the following order: (a) the Declaration; (b) the Articles of Incorporation; (c) the Bylaws; (d) any rules and regulations promulgated by the Executive Board.

13.7 Corporate Seal. The Association may have a seal or stamp in circular form and including the words, "Homestead at Three Peaks Homeowners Association, Inc."

13.8 Fiscal Year. 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 and end on December 31st of that year. The Executive Board may establish a different fiscal year of the Association by amendment to these Bylaws.

13.9 Interpretation. The provisions of these Bylaws shall be liberally construed to ensure that the Community shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner.

IN WITNESS WHEREOF, the undersigned, being the sole director of the Executive Board has approved and executed these Bylaws as of the 22 day of MARCH, 2005.

By: 
Brian N. Novak