

BY-LAWS
OF
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INDIAN PEAKS CONDOMINIUM ASSOCIATION, INC.

The name of the organization shall be Indian Peaks Condominium Association, Inc.

ARTICLE I

OBJECT

(Plan of Ownership)

1. The purpose for which this non-profit Association is formed is to govern the condominium property which has been or will be submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the recording of the Declaration and Supplement thereto and Maps and Supplements thereto bearing the name associated with this Association. Said property is described in Exhibit "B".
2. All present or future owners, tenants, future tenants, or any other person that might use in any manner the facilities of the project located on the property therein described are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Except as is otherwise provided in these By-Laws, ownership of a condominium unit is required in order to qualify for membership in this Association. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association or impair any rights or remedies which the unit owners have either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with the ownership and membership and the covenants and obligations incident thereto.
2. Voting. Voting shall be based upon one vote per condominium unit. Cumulative voting is prohibited.
3. Majority of Unit Owners. As used in these By-Laws the term "majority of unit owners" shall mean those owners of more than fifty percent (50%) of the undivided ownership of the general common elements.

4. Quorum. The presence, either in person or by proxy, of a majority of unit owners shall constitute a quorum of the members for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by the By-Laws, and in that event representation of the number so required shall constitute a quorum. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. The affirmative vote of those representing a majority of unit owners represented at any meeting having a quorum in attendance, either in person or by proxy, shall be necessary to transact business and to adopt decisions binding on all unit owners.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as "Association," who will have the responsibility of administering the project through a Board of Directors.
2. Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board of Directors may determine.
3. Annual Meeting. The first annual meeting of the Association shall be held 120 days following the giving of Notice by the Declarant that all of the Condominium Units have been sold. Thereafter the annual meeting of the Association shall be held during the month of August of each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Section 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them. "Declarant" as used in these By-Laws refers to the Declarant named in the Condominium Declaration for Indian Peaks Condominiums or its successors-in-interest, representatives, and assigns.
4. Special Meetings. The President may call a special meeting of the owners upon his own initiative or as directed by resolution of the Board of Directors or upon receipt of a petition signed by at least one-third of the owners. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds of the owners present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.
5. Notice of Meetings. The President or Secretary shall mail or deliver a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each owner of record, at the registered address of each owner, at meeting. The mailing of a notice in the manner provided in this paragraph or the delivery of such notice shall be considered notice served, and the Certificate of the President or Secretary that notice was duly given shall be prima facia evidence thereof.
6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are

present, either in person or by proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.

7. Order of Business. The order of business at annual meetings of the owners of units shall be as follows:

- (a) Roll call and certifying proxies
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of Minutes of preceeding Meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of Directors
- (g) Unfinished business
- (h) New business
- (i) Adjournment

8. Performance of Functions by Declarant. The rights, duties and functions of the Board of Directors shall, at the Declarant's option, be exercised by the Declarant by and through those persons named as Directors in the Articles of Incorporation, until 75 percent of the Condominium Units to be built have been sold, and the provisions of Section 4 of the Declaration are incorporated herein by this reference and made a part hereof as if fully set forth herein.

ARTICLE IV

BOARD OF DIRECTORS

1. Number of Qualifications. Consistent with the provisions of Article VI of the Articles of Incorporation, members of the Board of Directors, other than the initial Directors, shall be elected from among the owners voting at the annual meeting of the Association. The number of Directors shall be three (3), and the Directors shall govern the affairs of this Association until their successors have been duly elected and qualified.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the condominium project as a first class residential condominium property.

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the owners of the condominium units:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado, the By-Laws of the Association and supplements and amendments thereto.

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

(c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common elements and all items of common personal property.

(d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to the maximum replacement value. To insure and keep insured all of the Common fixtures, equipment and personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$500,000.00 per person and \$1,000,000.00 per accident and \$100,000.00 property damages. Further, the provisions of paragraph 20 of the Declaration are by this reference made a part hereof as if fully set forth herein.

(e) To periodically, and in no event less frequently than annually, fix, determine, levy and collect the prorated, quarterly or monthly assessments to be paid by each unit owner toward the gross expenses of the Association, to establish a reasonable reserve for more-or-less major common expenditures such as re-roofing, exterior painting, or staining, etc. and for seasonal expenses such as snow removal, grating of alley, etc. To adjust, decrease or increase the amount of such assessments, and to credit any excess of assessments over expenditures in cash reserves to the unit owners against the next succeeding assessment period. To levy and collect special assessments not in excess of four times the set, regular annual assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in statement form and shall set forth in reasonable detail the various expenses for which the assessments are being made.

Considering the amount of the annual assessment (to be collected in quarterly or monthly installments as determined by the Board), the Board shall use its best judgment in estimating the following items of income and expense over the period for which the budget is being prepared:

- (1) Income from owners;
- (2) Income from other sources;
- (3) Cost of snow removal;
- (4) Foreseeable repairs to common elements;
- (5) Reserve from foreseeable repairs to common elements;
- (6) Alley, snow removal and maintenance;
- (7) Insurance premiums;
- (8) Taxes, if any;
- (9) Reserves for roof, drive-way, fixtures, etc. repairs, painting;
- (10) Landscape and planting maintenance;
- (11) Accounting and legal fees;
- (12) Office expense;
- (13) Fidelity bonds and Director's liability insurance;
- (14) Common utility and/or telephone expense; and
- (15) Other foreseeable items.

(f) To collect delinquent assessments by suit or otherwise to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws. To enforce a late charge of not more than \$5.00 per month and to collect interest at the rate of twelve percent (12%) per annum in connection with the assessments remaining unpaid more than ten (10) days from the due date for payment thereof, together with all expenses, including attorney's fees incurred. The Board of Directors shall have the duty, right, power and authority to prohibit use of the condominium unit by the owner thereof, his guests, tenants, lessees and invitees in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof.

(g) To protect and defend in the name of the Association any part or all of the condominium project from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By/Laws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary and give security therefore. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board of Directors. Conveyances or encumbrances shall be by instrument executed by the President and by the Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board. All such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

(i) To enter into contracts to carry out their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.

(k) To make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first-class manner and consistent with the best interest of the unit owners.

(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit inspection of such books and records during convenient weekday business hours by any of the unit owners and/or their mortgagees, and upon the affirmative vote of at least a majority of the unit owners, to cause a complete audit to be made of the books and accounts by a competent certified public accountant. Upon payment of a reasonable fee, not to exceed \$10.00, any owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner and/or which might comprize a lien against an owner's condominium unit.

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

(n) To meet at least once quarterly.

(o) To designate, hire and remove the personnel necessary for the maintenance, operation, repair and replacement of the common elements of the condominium project.

(p) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this condominium project.

(q) To control and manage the use of all parking areas.

(r) To employ for the Association a Managing Agent (at a compensation established by the Board of Directors), to perform such duties and services as it shall authorize. The Board of Directors may delegate to such Managing Agent any of the Board's powers and duties but, notwithstanding such delegation, the Board shall not be relieved of its responsibility under the Declaration. Any contract of employment entered into with a Managing Agent must, however, be limited to a term not exceeding three years and must provide that it is cancellable by the Association without cause, upon thirty days written notice, and with cause at any time.

(s) In the event that the Board of Directors itself, or through delegation of its powers to an officer or Managing Agent shall decide to invoke a sanction, penalty, fine or loss of voting rights against a unit owner, a written notice of such sanction shall promptly be delivered or mailed to the unit owner in question notifying such party that the sanction will be stayed for the period of ten days during which time period the party in question may request a meeting with the Board of Directors to present his facts and/or opinions with respect to the matter. The Board shall, upon request for such a meeting, endeavor to hold such within the ten day period during which the sanction is stayed. The Board may take whatever action, pursuant to the Declaration or these By-Laws, which it deems appropriate as a result of the meeting with the unit owner or tenant.

4. No Waiver Of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Condominium Declaration, the By-Laws, or the house rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office. Members of the Board of Directors shall be elected from among the unit owners of the condominium units by a majority of the unit owners voting at the annual meeting of the Association. The term of each Director's service shall extend until the next annual meeting of the Association and so long thereafter as may be necessary for a successor to be duly elected and qualified, or until the Director may resign or is removed in the manner herein provided.

6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected.

7. Removal of Directors. At any regular or special meeting duly called any one or more of the Directors may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting prior to a vote being taken on the matter.

8. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the unit owners 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.

9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time by a majority of the Directors, but at least one such meeting shall be held during each calendar quarter. Notice of regular meeting of the Board of Directors shall be given to each director, personally the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of two or more Directors.

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

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

13. Compensation; Fidelity Bonds. The members of the Board of Directors shall serve without salary or compensation. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. All actions of members of the Board in good faith and using reasonable care shall be without recourse by the Association or any unit owner.

14. Accounts. The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves or to additional improvements.

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserve for replacement, which shall include funds for repair or replacement required because of damage, wear or obsolescence.

ARTICLE VI

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice-President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. All officers, except the initial officers must be members of the Association and the President must be elected from among the Board of Directors. One person may hold concurrently the office of Vice-President and Secretary and Treasurer, but the President shall serve only in the office of President.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

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

4. President. The President shall be elected from and by the Board of Directors and shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of a non-profit corporation, including but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

5. Vice-President. The Vice-President shall be a member of the Association and shall have all the powers and authority and perform all the functions and duties of the President, or his inability for any reason to exercise such powers and functions or perform such duties.

6. Secretary. The Secretary shall be a member of the Association and shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association, he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary as is provided in the Declaration and the By-Laws.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Condominium Unit owned by such member, the ownership interest attributable thereto and a description of the limited common elements, if any, assigned for exclusive use in connection with such unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer The Treasurer shall be a member of the Association and shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent not less often than once each calendar quarter.

ARTICLE V

INDEMNIFICATION OF OFFICERS, DIRECTORS & MANAGING AGENTS

1. Indemnification. The Association shall indemnify every Director, officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a part by reason of his being or having been a Director, officer or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross

negligence or willful misconduct in the performance of his duty as such Director, officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, or arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration.

2. Other. Contracts or other commitments made by the Board of Directors, officers or Managing Agent shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the unit owners, except that any losses incurred because of an inability to collect such proportionate amount of the total liability owed by an owner shall be shared proportionately by the other owners.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

1. Amendments to By-Laws. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing an aggregate interest of at least seventy percent (70%) of the general common elements, provided that these By-Laws shall at all times comply with the provisions of the Colorado Condominium Ownership Act, as amended. The notice of such meeting shall contain a summary of the proposed changes, or a copy of such proposed changes. The aforementioned ownership of the general common elements may be represented by proxies obtained by the Secretary of the Association from qualified members.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Secretary of the Association, by giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".
2. Notice of Unpaid Common Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner on a mortgaged unit.
3. Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common assessments or other defaults, shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has therefore been furnished to the Secretary.

4. Inspection of Records. Each unit owner and each mortgagee of a condominium unit may inspect the records and expenditures of the Association pursuant to Colorado Statute during convenient weekday business hours, upon reasonable notice to the Board of Directors or Managing Agent, if any. Upon payment of a reasonable fee, not to exceed \$10.00 any owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such owner and/or which might comprise a lien against an owners condominium unit. Upon issuance of such a certificate by the Association, the Association shall be barred from collecting or attempting to collect a greater amount than that set out in the certificate, from any owner, mortgagee or new purchaser who may have acted in reliance on such certificate.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership. Except for those owners who initially purchase a condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Managing Agent or Board of Directors a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership in the condominium unit, which copy shall remain in the files of the Association.

2. Registration of Mailing Address. The owners or several owners of an individual condominium unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notice, demands and all other communications, and such registered address shall be the only mailing address of a person or persons' firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.

3. Designation of Voting Representative - Proxy. If a condominium unit is owned by one person, his right to vote shall be established by the record title thereon. If title to a condominium unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall re-appoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article X shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE XI

OBLIGATIONS OF THE OWNERS

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1. Assessments. All owners shall be obligated to pay the monthly or quarterly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to the percentage interest in and to the general common elements subject to the provisions of paragraph 5.6 of the Declaration which are incorporated herein by this reference. Assessments shall be due in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Notice of Lien or Suit. An owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his condominium unit, and such notice shall be given in writing five (5) days after the owner has knowledge thereof.

3. Maintenance and Repair.

(a) Every owner must perform promptly, at his own expense, all maintenance and repair work within his own unit which, if omitted would affect the appearance of or the aesthetic integrity of part or all of the condominium project.

(b) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephone, sanitary, installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common elements damaged by his negligence or by the negligence of his tenant or agent or guests.

4. General.

(a) Each owner shall comply strictly with the provisions of the recorded Condominium Declaration and these By-Laws and amendments thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

5. Use of Units - Internal Changes.

(a) All units shall be utilized only for residential purposes as is provided in the Condominium Declaration.

(b) An owner shall not make structural modifications or alterations to his unit or installation located therein without the written approval of the Board of Directors. The Board of Directors shall be notified in writing of the intended modifications through the Managing Agent or, if no Managing Agent is employed, then through the President or the Board of Directors. The Association shall have the obligation to answer an owner's request within fifteen (15) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements, the limited common elements, sidewalks, pathways, roads and streets and other common elements located within the entire condominium project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners, and subject to the rules and regulations contained in these By-Laws and established by the Board of Directors as provided in Section 9 of this Article.

7. Right of Entry.

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(a) An owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening to his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other units provided that the request for entry is made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) The initial rules and regulations, which shall be effective until amended or supplemented by a majority vote of the Board of Directors, are annexed hereto and made a part hereof as Schedule A.

(b) The Board of Directors reserves the power to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time by a majority vote of the Board of Directors. Copies of such rules and regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

9. Destruction and Obsolescence. Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium upon its damage, destruction or obsolescence, all as is provided in the Declaration.

ARTICLE XII

COMMITTEES

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to the standing committee.

2. Executive Committee. The executive committee shall consist of two persons who are members and who shall be appointed by the Board of Directors from the members of the Board. One member shall be the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each regular meeting of the Board. The Executive Committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee, or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board of Directors may appoint a committee of three (3) members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least sixty (60) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

4. Vacancies. A vacancy in any committee shall be filled by the President until the next meeting of the Board of Directors.

ARTICLE XIII

ASSOCIATION - NOT FOR PROFIT

BOOK 284 PAGE 112

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

ARTICLE XIV

MORTGAGEES AS PROXIES

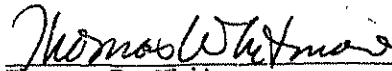
1. Mortgagees as Proxies. Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a trust their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominee and all rights, privileges and powers that they have as unit owners under the Certificate of Incorporation and By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Managing Agent or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors, or their duties and obligations as condominium unit owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a unit owner.

IN WITNESS WHEREOF, the undersigned initial Board of Directors have hereunto set their hand this 21st day of November, 1980.

BOARD OF DIRECTORS

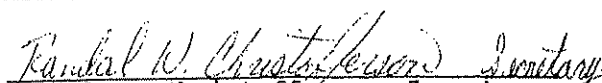

Robert A. Hatten


Randal W. Christofferson


Thomas E. Whitmore

The undersigned Secretary of this Association does hereby certify that the above and foregoing By-Laws and rules and regulations were duly adopted by the Directors as the By-Laws and rules and regulations of said Association on this 21st day of November, A.D. 1980.

ATTEST:


Randal W. Christofferson, Secretary

STATE OF NEBRASKA)
) SS.
COUNTY OF DOUGLAS)

BOOK 284 PAGE 113

The foregoing instrument was acknowledged before me this
21st day of November, 1980, by Randal W. Christofferson
as Secretary of Indian Peaks Condominium Association, Inc, a
Colorado corporation.

Witness my hand and official seal,

My commission expires: 11/14/83



Cathy M. Pendley
Notary Public

SCHEDULE A

Rules and Regulations

BOOK 284 PAGE 114

1. Any common sidewalks, driveways, entrances, halls, stairways and passageways shall not be obstructed or used by an unit owner for any other purpose than ingress to and egress from the units.
2. Except as to the areas termed limited common elements, no article shall be placed on or in any of the general common elements except for those articles of personal property which are the common property of all of the unit owners.
3. Unit owners, members of their families, their guests, residents, tenants or lessees shall not use sidewalks, driveways, entrances, halls, stairways and passageways as play area(s).
4. No vehicle belonging to or under the control of a unit owner or a member of the family or a guest, tenant, lessee or employee of a unit owner shall not be parked in such manner as to impede or prevent ready access to any entrance to or exit from a building. Vehicles shall be parked within designated parking areas. Any traffic flow markings and signs regulating traffic on the premises shall be strictly observed.
5. No work of any kind shall be done upon the exterior building walls or upon the general or limited common elements by any unit owner. Such work is the responsibility of the Association.
6. No owner, resident or lessee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines or air condition units be installed on the exterior of the project, including any part of the balcony, or that protrude through the walls or the roof of the condominium improvements except as may be expressly authorized by the Association.
7. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants or occupants of other units, and the same shall not be played or permitted to be played between the hours of 11:30 p.m. and the following 8:00 a.m..
8. Disposition of gargage and trash shall be only by the use of garbage disposal units or by use of common trash and garbage facilities.
9. The balconies, if any, and terraces, decks or patios shall be used only for purposes intended and shall not be used for hanging garments or other articles or for cleaning rugs, household articles or other items. No rugs or other materials shall be dusted from windows, balconies, decks or patios by beating or shaking.
10. No cats, dogs or other animal or bird or reptile (hereinafter for brevity termed "animal") shall be kept, maintained or harbored in the development unless the same in each instance is expressly permitted in writing by the Managing Agent or, if there is no Managing Agent, then, by the Board of Directors. Where such written permission is granted, such permission is revocable if the animal becomes obnoxious to other owners, in which event the owner or person having control of the animal shall be given a written notice to correct the

problem, or if not corrected, the owner, upon written notice, will be required to dispose of the animal. The written notices provided for herein shall be issued by the Managing Agent or, if there is no Managing Agent, then, by one or more of the members of the Board of Directors.

11. The Association assumes no liability for nor shall it be liable for any loss or damage to articles stored in any common or other storage area.

12. Any damage to the general common elements or common personal property caused by the owner or a child or children of a unit owner or the child of a guest of a unit owner shall be repaired at the expense of that unit owner.

13. The Managing Agent or, if there is no Managing Agent, then, the Board of Directors shall retain a passkey to each unit. No owner shall alter any lock or install a new lock on any door leading into the unit without prior consent, and, if such consent is given, the owner shall provide a key for the Managing Agent's or the Board of Director's use.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations.

EXHIBIT B

Legal description:

Lots 3 and 4,
Block 2
REPLAT OF WINTER PARK RANCH, SECOND FILING,
County of Grand
State of Colorado