

BY-LAWS

OF

TALL PINES CONDOMINIUMS HOMEOWNERS ASSOCIATION

A Colorado Nonprofit Corporation

ARTICLE I

Eligibility for Membership

Membership in the Association, except for membership of the first Board of Directors, shall be limited to record owners of condominium units constructed on the following described premises, and subject to Declarations of Tall Pines Condominiums. Said premises is located in the County of Grand, State of Colorado, and is described as follows:

Lots 1, 2 and 3,
Block 3,
HIDEAWAY PINES SUBDIVISION,

Every person who is a record owner of each condominium unit shall be a member of the Association. One (1) membership in the Association shall be issued to the record owner of each condominium unit, or, in the event that there shall be more than one such owner of a unit, the collective owners shall have a joint and single membership for each such unit, issued in the names of all the owners, and such owners shall designate to the Association, in writing, at the time of issuance, one (1) person who shall hold the membership and have the power to vote such membership. The record owners of all condominium units collectively shall constitute all of the members and no membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of condominium units.

The Association shall have two (2) classes of voting membership:

Class A Class A members shall be all of those owners as defined within this Article, with the exception of the "Declarant", as defined in the Declarations of Tall Pines Condominiums. Class A members shall be entitled to one (1) vote for each unit in which they hold an interest, as defined under this Article.

Class B The Class B member shall be the "Declarant", as defined in the Declarations of Tall Pines Condominiums. The Class B member shall be entitled to three (3) votes for each unit in which it holds the interest required for membership as defined under this Section, provided that the Class B membership shall cease and become converted to Class A membership on the happening of either one of the following events, whichever shall first occur:

(a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership,
OR

(b) on December 31, 1980.

ARTICLE II

Members

Section 1. Annual Meetings. The first annual meeting of the members of the Association shall be held on January 15, 1981. Thereafter, the meeting of the members shall be held annually on the anniversary date thereof, or at such other time as the members may, by majority vote, approve. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of the Articles and these By-Laws. The members may also transact such other business of the Association as may properly come before them.

Section 2. Special Meetings. Special meetings of the members for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors or upon a petition signed by a majority of the members. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the members present, either in person or by proxy.

Section 3. Notice of Special Meeting. The President or Secretary shall give or cause to be given notice of the time, place, and purpose of holding each special meeting by mailing or hand delivering such notice at least five (5) days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the Association.

Section 4. Quorum. The presence, either in person or by proxy, of at least fifty-one percent (51%) of the eligible vote of the membership shall constitute a quorum of the members for all purposes unless the representation of a larger group shall be required by law, the Articles or these By-Laws, and in that event, representation of the number so required shall constitute a quorum.

Section 5. Voting Rights. Each unit owner, or if more than one, the designated voting owner, shall be entitled to one (1) vote for each condominium owned.

Section 6. Adjournment of Meetings. If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the Chairman of the meeting, or a majority interest of the members present in person or by proxy, may adjourn the meeting, from time to time, without notice other than an announcement at the meeting until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 7. Proxies. A member may appoint only his or her spouse or any joint owner of his condominium unit or any other member as a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting or upon the calling of the meeting to order.

Section 8. Waiver of Notice. Any member may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of a member in person at any meeting of the members shall be deemed such a waiver.

ARTICLE III

Directors

Section 1. Number and Qualification. The business, property and affairs of the Association shall be managed, controlled, and conducted by a Board of Directors consisting of three (3) members.

Section 2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the corporation, and may do all such acts and things as are not by law or by these BY-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these BY-Laws, the Articles of Incorporation and in the Declarations applicable to "the property" described in the Declarations and in Article I above, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

Section 3. Election and Term of Office. The term of the directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Their successors shall be elected at the first annual meeting of the members. A new Board of Directors shall be elected by the members at each regular annual meeting thereafter and shall hold office for a term of one (1) year and until a successor shall be elected and shall qualify except as hereinafter otherwise provided. The number of directors may be altered from time to time by the action of a majority of the members at any regular or special meeting called for such purpose. In the event of any increase in the number of directors in advance of the annual meeting, each additional director shall be elected by the then Board of Directors and hold office until his successor is elected and shall qualify.

Section 4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors, even though they may consist of less than a quorum and each person so elected shall be a director until his successor is elected by the members at the next annual meeting.

Section 5. Removal of Directors. At any regular or special meeting of the members, any one or more of the directors may be removed with or without cause at any time by the affirmative vote of seventy-five percent (75%) of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 6. Compensation. No compensation shall be paid to directors for their services as directors. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Section 7. Organization Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such time and place as shall be fixed at the

meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 8. 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 two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting.

Section 9. 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.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary to the interests of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

Section 13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE IV

Officers

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary.,

Section 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.

Section 3. Removal of Officers. Upon an affirmative vote of two-thirds (2/3) 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.

Section 4. President. The President shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the president of an association, including but not limited to the power to appoint committees from among the members, from time to time, as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the members; he shall have the custody of the seal of the Association; he shall have charge of the membership books and such other 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.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities 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 effects in the name, and to the credit, of the Association in such depositories as may, from time to time, be designated by the Board of Directors.

Section 8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to any officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

ARTICLE V

Powers, Rights and Duties of the Association and Members Thereof

The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these By-Laws, Rules and Regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended.

The Board of Directors may employ for the condominium a managing agent or manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors may lawfully authorize and the Board of Directors may delegate to the manager or managing agent, all of the powers granted to the Board of Directors by these By-Laws. Any

such manager or managing agent shall be designated or removed upon a vote of two-thirds (2/3) of the Board of Directors. Any agreement with an employed managing agent or manager for compensation or any contract providing for services by the Declarant must provide for termination by either the party providing such services or the Association, without cause or payment of a termination fee upon ninety (90) days, or less, written notice with any such contract to have a term not in excess of three (3) years.

ARTICLE VI

Corporate Seal

The Board of Directors shall provide a suitable corporate seal containing the name of the corporation, which seal shall be in the custody and control of the Secretary.

The corporate seal shall be in circular form, shall have inscribed thereon the name of the Association and the word "Colorado" in the circle and the word "Seal" in the middle. If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the Board of Directors shall name.

ARTICLE VII

Assessments

The Board of Directors shall, from time to time, and at least annually, prepare a budget for the condominium, determining the amount of the assessments to be paid by the unit owners to meet the common expenses of the condominium and allocate and assess such common expenses and assessments among the unit owners according to their respective common interests. Common expenses shall include, among other things, costs or obligations connected with the maintenance, repair, operation, addition, alteration and improvement of and to the general common areas, which sum may include, but shall not be limited to, expenses of management, estimated taxes and special assessments until separately assessed, premiums for fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all of the condominium units (including all fixtures, interior walls and partitions, decorated and finished surfaces of perimeter walls, floors, ceilings, doors, windows and other elements or materials comprising a part of the units), casualty and public liability and other insurance premiums, landscaping and care of grounds, common heating and electricity, repairs and renovations, trash and garbage collections, wages, common water and sewer charges, legal and accounting fees, management and rental fees, expenses and liabilities incurred by the managing agent or Board of Directors on behalf of the unit owners under or by reason of these By-Laws or the Declarations, for any deficit remaining from a previous period; the creation of a reasonable contingency reserve, working capital and sinking funds as may be necessary and appropriate as well as any other costs and expenses relating to the general common elements or limited common elements, if applicable. Each condominium owner shall be liable for an amount equal to that percentage which is set forth in the Declarations as that unit owner's percentage of the assessments attributable and relating to all of the common expenses, as defined therein. Assessments for the estimated common expenses shall be due in advance on the first day of every other

calendar month, commencing on the first day of the month designated by the Association at the time of an owner's receipt of conveyance of title to that owner's condominium unit. The managing agent of Board of Directors shall prepare and deliver or mail to each owner a statement for the estimated or actual common expenses. In the event of the ownership of the condominium unit, title of which is derived from Declarant, commences on a day other than the first day of the assessment period, the assessment for that period shall be prorated.

Upon payment to the managing agent, or if there is no managing agent, then to the Board of Directors of the Association, of a reasonable fee not to exceed twenty-five dollars (\$25.00), and upon the written request of any owner or any mortgagee or prospective mortgagee of a condominium unit, the Association shall issue a written statement setting forth the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, and credit for any advance payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith, except that any first mortgagee, upon request, shall be entitled to written notification from the Association concerning the default in the performance by any unit owner who is the mortgagor of that same obligation, when said default is not cured within sixty (60) days from the time of required performance and such response to the mortgagee's request shall be made without any charge to the mortgagee. Such written statement shall be issued by the Association within ten (10) days following said written request. Any owners and their mortgagees, if applicable, may inspect the books and records of the Association or the condominium project at convenient weekday business hours.

There shall be no additions, alterations or improvements of or to the general and limited common elements by the Association requiring an expenditure in excess of five thousand dollars (\$5,000.00) for any such single addition, alteration or improvement, in any one calendar year, without prior approval of the owners representing fifty-one percent (51%) or more of the membership of the Association and such expenditures shall be a common expense. Such limitations shall not be applicable to the replacement, repair, maintenance or obsolescence of any general or limited common element or common personal property.

The only debts, assessments, or obligations assumed by any unit owner shall be those set forth in these By-Laws and the Declarations of Tall Pines Condominiums, hereinabove referred to.

No member or unit owner shall be subject to any liens, other than mechanic's liens, assessment liens or tax liens, except as shall be approved by sixty percent (60%), or more, of the Association's membership and all of the holders of any recorded mortgage or deeds of trust covering or affection any or all condominium units.

ARTICLE VIII

Rules and Regulations

Rules and Regulations concerning the use, restrictions and requirements respecting the use and maintenance of the units and

the use of the general and limited common elements may be promulgated, modified, rescinded and amended by the Board of Directors. A majority vote of unit owners at a meeting may overrule the Board of Directors. Copies of such Rules and Regulations shall be furnished by the Board of Directors to each unit owner prior to the time when the same shall become effective.

ARTICLE IX

Alterations and Improvements by Unit Owners

No unit owner shall make any structural additions, alterations or improvements in or to a unit, without the prior written consent thereto of the Board of Directors. Upon approval by the Board of Directors, any such additions, alterations or improvements shall be constructed in accordance with the building code of the appropriate building authority and shall be completed in a good and workmanlike manner. Further, the unit owner agrees to indemnify and hold the Association and all other unit owners, individually, harmless from any claims or liens based upon or arising from any such additions, alterations or improvements.

ARTICLE X

Right of Access

The unit owner shall grant a right of access to his unit to the managing agent, or any person authorized by the Board of Directors for the purposes of making inspections or correcting any conditions originating in that unit, provided the requests for entry are made in advance and that any such entry is at a time reasonably convenient to the unit owner save in case of an emergency, when such right of entry shall be immediate, whether the unit owner is present at that time or not.

ARTICLE XII

Amendments

These By-Laws may be modified or amended by the vote of sixty percent (60%), or more, of the aggregate ownership interest of the Association membership (or if such modification or amendment affects a provision then requiring a larger percentage, such larger percentage).

ARTICLE XIII

Miscellaneous

Section 1. If any of the provisions in these By-Laws or any paragraph, sentence, clause, phrase or word, or the application thereon in any circumstance is invalidated, such invalidity shall not affect the validity of the remainder of these By-Laws, and the application of any such provision, paragraph, sentence, clause phrase or word in any other circumstance shall not be affected thereby.

Section 2. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural the plural the singular and the use of any gender shall include all genders.

Section 3. No restriction, condition, obligation or provision contained in these By-Laws 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 thereof which may occur.

The above By-Laws were adopted this 10th day of January 1980, by the Board of Directors of Tall Pines Condominiums Home-owners Association.

Lee Diacchino
Secretary