

BYLAWS
OF
MORE'S CORNER HOMEOWNERS ASSOCIATION, INC.,
A Colorado nonprofit corporation

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**BYLAWS
OF
MORE'S CORNER HOMEOWNERS ASSOCIATION, INC.**

The name of the corporation shall be More's Corner Homeowners Association, Inc., a Colorado nonprofit corporation (the "Association").

ARTICLE 1. PURPOSES, ASSENT OF UNIT OWNERS, AND DEFINITIONS

Section 1.1 Purposes. The Association is formed pursuant to the Colorado Revised Nonprofit Corporation Act, Colo. Rev. Stat. § 7-121-101 et seq. (the "Nonprofit Act") and the Colorado Common Interest Ownership Act, Colo. Rev. Stat. § 38-33.3-101 et seq. ("CIOA"), as each may be amended from time to time. The primary purposes for which the Association is formed are (a) to provide for the operation, administration, use, and maintenance of certain common areas and other property more fully described in the Amended and Restated Declaration for More's Corner, recorded in the office of the Clerk and Recorder of Routt County, Colorado, as amended or supplemented from time to time (the "Declaration"); (b) to preserve, protect, and enhance the values and amenities of such property; and (c) to promote the health, safety, and welfare of members of the Association.

Section 1.2 Assent. All present or future Owners, Occupants, or any other persons using the facilities of the Project in any manner are subject to these Bylaws and any Rules and Regulations adopted by the Board of Directors pursuant to these Bylaws. Acquisition or rental of any of the Townhomes in the Project or the mere act of occupancy of any Townhomes shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said Rules and Regulations.

Section 1.3 Definitions. Unless otherwise specified, capitalized terms used in these Bylaws shall have the same meanings in these Bylaws as such terms have in the Declaration.

ARTICLE 2. MEMBERSHIP

Section 2.1 Membership. Ownership of a Townhome is required in order to qualify for membership in the Association.

Section 2.2 Responsibilities of Owners. Any person or entity, including Declarant, on becoming an Owner, shall automatically become a member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Townhome, but such termination shall not relieve or release any such former Townhome Owner from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Townhome and membership in the Association and the covenants and obligations incident thereto.

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

Such membership card shall be surrendered to the secretary of the Association whenever ownership of the Townhome designated on the card shall terminate.

Section 2.4 Voting Rights. Each Townhome shall be allocated one (1) vote in the affairs of the Association. For each Townhome submitted to the Private Residence, the one (1) vote in the affairs of the Association allocated to each Club Unit shall be apportioned among the Club Interest Owner(s) of such Club Unit in accordance with Article 18 of the Declaration (each Club Interest Owner shall be entitled to a proportionate vote, the size of which vote shall be based upon each Club Interest Owner's undivided interest as tenant-in-common in the Club Unit). The Club Members shall constitute a separate Class of Members in the Association for purposes of voting on all issues affecting the administration and management of the Club, as more specifically set forth in Article 18 of the Declaration. The Association shall not have a vote with respect to any Townhome which may be owned by it. Declarant shall be entitled to vote with respect to any Townhome owned by it.

ARTICLE 3. MEETINGS OF UNIT OWNERS

Section 3.1 Place of Meeting. Meetings of the Owners shall be held at such place, within or without the State of Colorado, as the Board of Directors may determine.

Section 3.2 Annual Meeting. Regular meetings of Owners shall be held annually. The first annual meeting of the Owners shall be held within one (1) year after the date of the adoption of these Bylaws. Thereafter, the annual meetings of the Owners shall be held on a date and at a time selected by the Board of Directors in each succeeding year. The purpose of the annual meetings is for the election of the members of the Board of Directors and the transaction of such other business of the Association as may properly come before the meeting.

Section 3.3 Special Meetings. Calls for Special meetings of the Owners may be made by the president of the Association, by a majority of the Board of Directors, or by written instrument signed by Owners representing twenty percent (20%) of the total votes in the Association.

Section 3.4 Notice of Meetings. Written notice given in accordance with the Declaration and stating the place, day, and hour of each meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered and effective not less than fourteen (14) nor more than fifty (50) days before the date of the meeting, by or at the direction of the president, or the secretary, or the persons calling the meeting as provided under these Bylaws, to the registered address for notice (as provided in the Declaration) of each Townhome entitled to be represented by a vote at such meeting. No action shall be adopted at a special meeting except as stated in the notice.

Section 3.5 Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to ratify a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Board of Directors in accordance with applicable provisions of CIOA. A summary of the proposed budget approved

by the Board of Directors shall be mailed to the Owners within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held not less than fourteen (14) nor more than fifty (50) days after mailing of the summary to the Owners. Unless at the meeting a majority of the total votes of the Association, rather than a majority of those present and voting in person or by proxy, reject the proposed budget, the budget is ratified whether or not a quorum is present at the meeting. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Board of Directors as provided above. For the purposes of this Section 3.5, any "meeting" to ratify a proposed budget may take place by written ballot in accordance with Section 3.11, below.

Section 3.6 Adjourned Meetings. If any meeting of the Owners cannot be organized because a quorum, as defined below, has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.

Section 3.7 Proxies. Votes allocated to a Townhome may be cast pursuant to a proxy duly executed by a Townhome Owner. If a Townhome is owned by more than one Person, each Owner of the Townhome may vote or register protest to the casting of votes by the other Owners of the Townhome through a duly executed proxy. A Townhome Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise. A form of proxy may be distributed to each Owner to afford the Owner(s) of such Townhome the opportunity to cast the vote allocated to such Townhome in absentia at a meeting of Owners of the Association, provided that it meets the requirements for a written ballot set forth in Section 3.12 below and includes the name or names of the Owners who expect to be in attendance in person at the meeting to whom the proxy is given for the purpose of casting the vote to reflect the absent Owner's vote as specified in the form of proxy.

Section 3.8 Designation of Voting Representative--Proxy. If title to a Townhome is held by more than one (1) individual, by a firm, corporation, partnership, association or other legal entity or any combination thereof, such individuals, entity, or entities shall by written instrument executed by all such parties and delivered to the Association, appoint and authorize one (1) person or alternate persons to represent the Owners of the Townhome. Such representative shall be a natural person who is an Owner, or a designated board member or officer of a corporate Townhome Owner, or a general partner of a partnership Owner, or a comparable representative of any other entity, and such representative shall have the power to cast votes on behalf of the Owners as a member of the Association, and serve on the Board of Directors if elected, subject to the provisions of and in accordance with the procedures described in these Bylaws. Notwithstanding the foregoing, if only one (1) of the multiple Owners of a Townhome is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Townhome. If more than one (1) of the multiple Owners are present, in person or by proxy, and there is no written designation of an authorized representative, the vote allocated to that Townhome may be cast only in accordance with the agreement of a majority in interest of the Owners, which majority agreement may be assumed for all purposes if any one (1) of the multiple Owners cast the vote allocated to that Townhome without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Townhome.

If such protest is made, the vote allocated to the Townhome may only be cast by written instrument executed by all Owners who are present at the meeting.

Section 3.9 Quorum. Except as otherwise provided in these Bylaws, the presence at the beginning of the meeting in person or by proxy of the Owners possessing sufficient votes to constitute five percent (5%) of the votes of all Owners shall constitute a quorum, and such Owners present in person or by proxy shall constitute the Owners entitled to vote upon any issue presented at a meeting at which a quorum is present.

Section 3.10 Voting. Except as otherwise required by the Declaration, CIOA or by these Bylaws, the votes of Owners who are present either in person or by proxy at any duly convened meeting of the Association at which a quorum has been established and who cast a simple majority of the total votes eligible to be voted by such present or represented Owners shall decide any question under consideration, and shall constitute the act of and be binding upon the Association.

Section 3.11 Waiver of Meeting and Consent to Action. Whenever the vote of Owners at a meeting of the Association is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association (including, without limitation, a vote on ratification of a proposed Association budget pursuant to Section 3.5, above) the meeting and vote of Owners may be dispensed with and the action in question may be approved if all the Owners eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question.

Section 3.12 Action by Written Ballot. Any action that may be taken at any annual or special meeting of members (including, without limitation, any ratification of a proposed Association budget pursuant to Section 3.5, above) may be taken without a meeting and through voting by mail, if the following requirements are met:

(a) a written ballot is distributed to every Owner entitled to vote on the matter, setting forth each proposed action and providing an opportunity to vote for or against each proposed action;

(b) the solicitation for votes by written ballot (a) indicates the number of responses needed to meet the quorum requirements for authorization or rejection of the proposed action (or, if the proposed action is ratification of a proposed budget pursuant to Section 3.5, above, specifies that no quorum of votes is required); (b) states the percentage of votes needed to authorize or reject each matter, other than election of the Board of Directors (or, if the proposed action is ratification of a proposed budget pursuant to Section 3.5, above, states that the budget will be ratified unless rejected by a majority of the total votes of the Association); (c) specifies the time by which a ballot must be received by the Association in order to be counted; and (d) is accompanied by written information (including, if applicable, a summary of any proposed Association budget) sufficient to permit each person casting such ballot to reach an informed decision on the matter; and

(c) except for ratification of a proposed budget pursuant to Section 3.5, above, the number of votes cast by written ballot within the specified time period, authorizing or rejecting the proposed action, equals or exceeds the quorum required to be present at a meeting authorizing or rejecting the action, and the number of votes in favor or against the proposed action equals or exceeds the number of votes in favor or against that would be required to authorize or reject the action at a meeting at which the total number of votes cast was the same as the number of votes cast by written ballot.

A written ballot provided pursuant to this Section 3.12, may not be revoked. Action taken under this Section 3.12 has the same effect as action taken at a meeting of Owners and may be described as such in any document.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors, initially composed of three (3) persons. At the first meeting of the Association after the Period of Declarant Control, at least three (3), and in any event an odd number of Owners, shall be elected to the Board of Directors by the Owners. The Board of Directors may be expanded to five (5) persons by an amendment of these Bylaws. The members of the Board of Directors may be nonresidents of Colorado, but all members of the Board of Directors elected by the Owners (as opposed to any members of the Board of Directors appointed by Declarant) must be Owners.

Section 4.2 Required Election of Owners. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Townhomes that may be created to Owners other than Declarant, Owners other than the Declarant shall elect the greater of one (1) member or twenty-five percent (25%) of the members of the Board of Directors. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Townhomes that may be created to Owners other than Declarant, Owners other than the Declarant shall elect thirty-three and one-third percent (33-1/3%) or the nearest whole number in excess of such percentage of the members of the Board of Directors. Not later than the termination of any Period of Declarant Control, the Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Owners other than the Declarant or designated representatives of Owners other than Declarant. In order to assure representation of Club Members in the affairs of the Association and to protect the valid interests of the Club Members in the operation of the Project, from and after the date on which ten (10) or more Club Units have been submitted to the Private Residence Club, the Club Members, voting as a class, shall be entitled to elect the greater of one (1) member or thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors. The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election.

Section 4.3 Declarant Control of the Association. There shall be a Period of Declarant Control of the Association, during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and members of the Board of Directors. The Period of Declarant Control shall commence upon filing of the Articles of Incorporation of the Association and shall terminate no later than the earlier of:

- (i) sixty (60) days after conveyance of seventy-five percent (75%) of the Townhomes that may be created to Owners other than Declarant;
- (ii) two (2) years after Declarant's last conveyance of a Townhome in the ordinary course of business; or
- (iii) two (2) years after any right to add new Townhomes was last exercised.

The Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of that period, but in that event the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

The names and addresses of the persons who are to initially act in the capacity of the sole members of the Board of Directors until their successors are duly elected and qualified are as follows:

Name	Address
Bruce Shugart, President	c/o Structural Associates Company 4185 County Road 154 Glenwood Springs, CO 81601
Richard Dean, Vice President	c/o Ashcroft Homes 56 Inverness Drive East, Suite 105 Englewood, CO 80112
Shane Evans, Secretary, Treasurer	c/o Structural Associates Company 4185 County Road 154 Glenwood Springs, CO 81601

Section 4.4 Election and Term of Office. Until the first annual meeting after the Period of Declarant Control, the terms of members of the Board of Directors not appointed by the Declarant shall expire at the annual meeting which occurs not less than one year, nor more than two years, eleven months after election to the Board of Directors. At any time after Owners, other than the Declarant, are entitled to elect a member of the Board of Directors, the Association may call a meeting and shall give not less than fourteen (14) nor more than fifty (50) days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so. At the first meeting of the Association after the Period of Declarant Control, the terms of the initial Board of Directors elected by the Owners shall be staggered so that one (1) or more members shall be elected to serve a one (1) year term, one or more members shall be elected to serve a two (2) year term, and one or more members shall be elected to serve a three (3) year term. At the expiration of the initial term of office for each respective member of the Board of Directors, his successor shall be elected to serve a term of three (3) years. Notwithstanding any provision in this Section 4.4 to the contrary, members of the Board of Directors may be elected by written ballot pursuant to the conditions set forth in

Section 3.12 above. Each member of the Board of Directors shall hold office until the election and qualification of his successor. At any meeting at which the Board of Directors is to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Nonprofit Act for conducting the elections.

Section 4.5 Removal of Members of the Board of Directors. A regular or special meeting of Owners may be called for the purpose of considering the removal of any member of the Board of Directors. The Board of Directors shall designate by resolution or motion the date and time of such regular or special meeting after such meeting is properly set or called in accordance with these Bylaws and Colorado law. Any one (1) or more of the members of the Board of Directors, other than a member appointed by the Declarant, may be removed with or without cause by an affirmative vote of sixty-seven percent (67%) of a quorum of the Owners present in person or represented by proxy and eligible to vote; provided, however, only Club Members may remove a member of the Board of Directors elected by the Club Members voting as a class pursuant to Section 4.2 of these Bylaws. Any member of the Board of Directors whose removal has been proposed shall be given an opportunity to be heard at the meeting. Successors may then and there be elected by a majority of the remaining Board of Directors; provided however, that if the entire Board of Directors is removed at once, an election by the Owners present in person or represented by proxy and eligible to vote to fill the vacancies thus created shall be immediately thereafter at the same meeting.

Section 4.6 Vacancies.

(a) During Period of Declarant Control. During the Period of Declarant Control, if a member of the Board of Directors dies or resigns, Declarant shall appoint a new member of the Board of Directors.

(b) After the Period of Declarant Control. After the Period of Declarant Control, any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of all of the remaining Board of Directors, though less than a quorum of the Board of Directors. The term of the member of the Board of Directors so elected shall be coincident with the term of the replaced member of the Board of Directors.

Section 4.7 Quorum of the Board of Directors. A majority of the number of members of the Board of Directors fixed from time to time by these Bylaws shall constitute a quorum for the transaction of business. Any act by a majority vote of the Board of Directors in attendance where a quorum is present shall be an act of the Board of Directors.

Section 4.8 Place and Notice of the Board of Directors Meetings. Any regular or special meetings of the Board of Directors may be held at such place within or without the State of Colorado and upon such notice as the Board of Directors may prescribe. Any special meeting of the Board of Directors shall be preceded by at least two days' notice of the date, time and place of the meeting. The Board of Directors shall hold a regular meeting at least once each year and shall, in addition, meet as often as they deem necessary or desirable to perform their duties hereunder. Attendance of a member of the Board of Directors at any meeting shall constitute a waiver of notice of such meeting, except when a member of the Board of Directors attends a

meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any member of the Board of Directors may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting. The Board of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all members of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors. All or some of the members of the Board of Directors may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.9 Powers and Duties. The Board of Directors shall have, subject to the limitations contained in the Declaration and CIOA, the powers and duties necessary, desirable, or appropriate for the administration of the affairs of the Association and for the operation and maintenance of the Project, including the following powers and duties:

(a) Adopt and amend Bylaws and Rules and Regulations, provided, however, that no such Rules and Regulations may operate to discriminate against the Private Residence Club or otherwise interfere with the operation of The Private Residence Club;

(b) Adopt and amend budgets for revenues, expenditures, and reserves;

(c) Collect Assessments from Owners;

(d) Suspend the voting interests allocated to a Townhome, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Governing Documents;

(e) Hire and discharge Managing Agents;

(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 Governing Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting the Project;

(h) (g) receive notices, join in any litigation or administrative proceeding, and execute any and all documents in the Association's name, on behalf of the Association, or on behalf of the two or more Owners, in connection with any change in zoning, annexation, subdivision approval, building permit, or other type of governmental approval required to accomplish or maintain the purposes of the Association;

- (i) Make contracts and incur liabilities;
- (j) Regulate the use, maintenance, repair, replacement, and modification of all Association property within the Project or property which serves the Project but which is outside its boundaries and of the Townhome Exteriors;
- (k) regulate the use and appearance of Townhome Exteriors;
- (l) Cause additional improvements to be made as a part of the Common Elements;
- (m) 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 Section 312 of CIOA;
- (n) Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements;
- (o) Impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements and for services provided to Owners;
- (p) Establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the documents governing the Association, including but not limited to these Bylaws, the Articles, the Declaration, and any Rules and Regulations adopted by the Association (the "Governing Documents");
- (q) impose a reasonable charge for late payment of Assessments, recover Costs of Enforcement for collection of Assessment and other actions to enforce the powers of the Association, regardless of whether or not suit was initiated and, after notice and hearing, levy reasonable fines for violations of the Governing Documents;
- (r) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid Assessments;
- (s) Provide for the indemnification of the Association's officers and the Board of Directors to the extent provided by law and maintain directors' and officers' liability insurance;
- (t) assign the Association's right to future income, including the right to receive Assessments;
- (u) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) regular meetings of the Board of Directors during any one year period;

(v) Appoint any committee as required or permitted by the Declaration or these Bylaws, and by resolution, establish committees, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee;

(w) By resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the Nonprofit Act, which are permitted to be "otherwise set forth in the Bylaws." Such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws;

(x) Exercise those powers set forth in Section 18.7 of the Declaration with respect to the operation, administration, and maintenance of the Private Residence Club;

(y) Exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, CIOA, or the Nonprofit Act; and

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

Section 4.10 Managing Agent. The Board of Directors may employ for the Association a Managing Agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize; provided, however, that the Board of Directors in delegating such duties shall not be relieved of its responsibility under the Declaration. The Managing Agent shall maintain fidelity insurance coverage or a bond for the benefit of the Association in an amount not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount as the Board of Directors shall require. The Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Managing Agent and shall maintain all reserve accounts for the Association separate from operational accounts of the Association. The Managing Agent shall provide an annual accounting for Association funds and a financial statement to the Association.

Section 4.11 Compensation of the Members of the Board of Directors. Except as provided in this Section 4.11., members of the Board of Directors shall not be paid any compensation for their services performed as members of the Board of Directors unless a resolution authorizing such remuneration shall have been adopted by the members of the Association. Each member of the Board of Directors shall receive reimbursement for reasonable transportation, meals, lodging expenses and reasonable per diem payments, for attendance at any regular or special meeting of the Board of Directors or for other actual expenses incurred in connection with the performance of his or her duties of office as a member of the Board of Directors.

Section 4.12 Board of Directors Meetings. All meetings of the Board of Directors, at which action is to be taken by vote, will be open to the Owners, except that meetings of the Board of Directors may be held in executive session(s), without giving notice and without the requirement that they be open to Owners, in the following situations:

- (a) matters pertaining to employees of the Association or involving the employment, promotion, discipline or dismissal of an officer, agent, or employee of the Association;
- (b) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) investigative proceedings concerning possible or actual criminal misconduct;
- (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- (f) review of or discussion relating to any written or oral communications from legal counsel.

ARTICLE 5. OFFICERS AND THEIR DUTIES

Section 5.1 Enumeration of Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer, and such other officers as the Board of Directors may from time to time by resolution create. The president must be a member of the Board of Directors.

Section 5.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Owners.

Section 5.3 Term. The officers shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless such officer shall sooner die, resign, or shall be removed or otherwise disqualified to serve.

Section 5.4 Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may from time to time determine.

Section 5.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.7 Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of president and secretary.

Section 5.8 Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Owners and the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, mortgages, deeds, notes and other written instruments; and shall exercise and discharge such other duties as may be required of the president by the Board of Directors. In addition, the president shall have all of the general powers and duties that are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to, the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

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

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Owners; keep the corporate stamp or seal of the Association, if any, and place it on all papers requiring said stamp or seal, if necessary; serve notice of meetings of the Board of Directors and of the Owners; keep appropriate current records showing the Owners together with their addresses; and shall perform such other duties as required by the Board of Directors.

(d) Treasurer. The treasurer shall receive and may endorse on behalf of the Association, for collection only, all checks, notes, and other obligations and shall deposit the same and all monies in appropriate bank accounts of the Association. The treasurer shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; at the direction of the Board of Directors, cause an audit of the Association books to be made; and prepare an annual budget and a statement of income and expenditures to be presented to the Owners at the regular annual meeting of Owners, and deliver a copy of each to the Owners. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Board of Directors decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by: (i) prior to

the first meeting of the Association after the Period of Declarant Control, the sole member of the Board of Directors; or (ii) after the first meeting of the Association after the Period of Declarant Control, two members of the Board of Directors, one of whom may be the treasurer.

Section 5.9 Execution of Instruments. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any person or persons as may be designated by resolution of the Board of Directors, including the Managing Agent. Any officer may prepare, execute, certify and record duly adopted amendments to the Declaration on behalf of the Association.

Section 5.10 Statement of Unpaid Assessments. The treasurer, assistant treasurer, a Management Agent employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of CIOA. The amount of any fee for preparing such statements of unpaid assessments and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as an Assessment against the Townhome or Club Interest for which the certificate or statement is furnished.

ARTICLE 6. INDEMNIFICATION OF MEMBERS OF THE BOARD OF DIRECTORS AND OFFICERS

Section 6.1 Actions Other than by or in the Right of the Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any pending or completed 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 such person is or was a member of the Board of Directors, officer, Managing Agent, employee, fiduciary, or agent 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 such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner that he or she 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 such person 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 or her conduct was unlawful.

Section 6.2 Actions by or in the Right of the Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any pending or completed action or suit 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 member of the Board of Directors, officer, Managing Agent, employee, fiduciary, or agent 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 such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner

that he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty to the Association unless, and to the extent that, the court in which such action or suit was brought determines upon application that (despite the adjudication of liability), in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses.

Section 6.3 Successful on the Merits. To the extent that a member of the Board of Directors, officer, Managing Agent, employee, fiduciary, or agent of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 6.1 or 6.2 of this Article 6, 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.

Section 6.4 Determination Required. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Section 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of such person is proper in the circumstances, because such person has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Board of Directors by majority vote of a quorum consisting of those members of the Board of Directors who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Board of Directors so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board of Directors shall provide a copy of its written opinion to the person seeking indemnification upon request.

Section 6.5 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Board of Directors, officer, Managing Agent, employee, fiduciary, or agent of the Association who is a party to a proceeding in advance of final disposition of the proceeding if: (a) such person furnishes to the Association a written affirmation, executed personally or on such person's behalf, of his or her good faith belief that he or she has met the standard of conduct described in Sections 6.1 or 6.2 of this Article 6; (b) such person furnishes to the Association a written agreement, executed personally or on such person's behalf, to repay the advance if it is ultimately determined that he or she did not meet the required 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 paragraph shall be an unlimited general obligation of the Board of Directors but need not be accepted by a particular Board member or officer or may be accepted without reference to financial ability to make repayment.

Section 6.6 No Limitation of Rights. The indemnification provided by this Article 6 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 members or disinterested

members of the Board of Directors, or otherwise, nor by any rights which are granted pursuant to CIOA and the Nonprofit Act.

Section 6.7 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors or an officer of the Association against any liability asserted against him or her and incurred by such person 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 person against such liability under provisions of this Article

ARTICLE 7. BYLAWS

Section 7.1 Amendments. These Bylaws may be amended by a vote of a majority of a quorum of the Board of Directors at a regular or special meeting of the Board of Directors. These Bylaws may be amended at any regular 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. Any provision of these Bylaws adopted at a regular or special meeting of the Owners may thereafter only be amended at a regular or special meeting of the Owners. The Owners shall have no power to amend the Bylaws in such a manner as to materially change the configuration or size of any Townhome, to materially alter or modify the appurtenances to any Townhome, or to change the proportion or percentage 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 any member of the Board of Directors, or conflict with the Act or delete any provision which must be contained in these Bylaws under the terms of the Act, or conflict with the Articles of Incorporation of the Association or the Declaration.

Section 7.2 Compliance with the CIOA. These Bylaws are intended to comply with the requirements of the CIOA. If any of these Bylaws conflict with the provisions of the CIOA, the provisions of the CIOA will govern the Association.

Section 7.3 Conflict between Documents. In the case of any conflict between or among the Governing Documents for the Association, the Declaration controls over the Articles of Incorporation of the Association, these Bylaws and the Rules and Regulations. The Articles of Incorporation of the Association control over these Bylaws and the Rules and Regulations. These Bylaws control over the Rules and Regulations.

ARTICLE 8. COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate which, to the extent provided for in the resolution appointing the Committee and allowed by law, shall have the powers of the Board of Directors in the management and affairs and business of the Association.

ARTICLE 9. BOOKS AND RECORDS

Section 9.1 Records and Audits. The Association shall maintain financial records. The cost of any audit or review shall be a Common Expense unless otherwise provided in the Declaration. An audit or review shall be done no less often than once every three years, unless otherwise provided for in the Declaration.

Section 9.2 Examination. All records maintained by the Association or the Managing Agent shall be available for examination and copying by any Owner or by any of their duly authorized attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice. The Board of Directors may impose restrictions on the commercial or any other use of any list of Owners obtained pursuant to this Article 9 that is not directly related to Association business.

Section 9.3 Records. The Association shall keep the following records:

- (a) An account for each Townhome, which shall designate 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 Townhome, the amount of each Common Expense Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;
- (b) The current operating budget;
- (c) A record of insurance coverage provided for the benefit of Owners and the Association;
- (d) Tax returns for state and federal income taxation;
- (e) Minutes of proceedings of incorporators, Owners, Board of Directors and its committees, and waivers of notice;
- (f) A copy of the most current versions of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Board of Directors, along with their exhibits and schedules; and
- (g) Such other records as the Board of Directors shall determine from time to time are necessary or desirable.

Section 9.4 Roster. In addition to keeping the other records listed in this Article 9, the Association shall annually compile a roster of the name and address of each of its Members (the "Roster"). The Association shall provide a copy of the Roster to any Member upon: (i) receipt of a written request from such Member, stating the reason for the request; and (ii) execution by the Member, and receipt by the Association, of a confidentiality agreement and affidavit ("Confidentiality Agreement"), in a form reasonably acceptable to the Association, stating that the Roster will be used only for purposes reasonably related to the Member's interest in the Association. Each Member who requests and receives a copy of the Roster thereby agrees that he

or she will not make any commercial use of the Roster and will not distribute a copy of the Roster or any portion thereof to any third party. The Association may establish and charge a reasonable fee for processing and issuance of any Roster requests and Confidentiality Agreements, and payment of any expenses associated therewith.

ARTICLE 10. CORPORATE SEAL

The Association may have a seal or stamp in circular form having within its form the words: "More's Corner Homeowners Association, Inc."

ARTICLE 11. 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. The Board of Directors may by amendment to the Bylaws establish a different fiscal year for the Association.

ARTICLE 12. RULES AND REGULATIONS

The Board of Directors shall have the right to establish, amend, and enforce, from time to time, such Rules and Regulations as the Board of Directors may deem necessary and appropriate for the management, preservation, safety, control, and orderly operation of the Project for the benefit of all Owners and Occupants, and for facilitating the greatest and most convenient availability and use of the Townhomes and Common Elements by Owners and Occupants. Such Rules and Regulations may include a system of late charges and/or interest for untimely payment of Assessments, fees for review by the Association of matters required under the Declaration, and fees and fines for noncompliance with the Rules and Regulations and other obligations set forth in the Declaration and these Bylaws. The Board of Directors shall provide notice of the adoption or amendment of any Rules and Regulations and make such amended Rules and Regulations available for inspection by all Owners, Occupants, contract purchasers and First Mortgagees during convenient weekday business hours at the principal office of the Association. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Declaration, the articles of incorporation of the Association and these Bylaws, impose reasonable restrictions upon the use and occupancy of any portion of the Project as the Board of Directors, in its sole and absolute discretion, deems necessary and appropriate. Each Owner agrees that all his or her ownership rights shall be in all respects subject to the Rules and Regulations, and each Owner agrees to obey such Rules and Regulations as the same may lawfully be amended from time to time, and to ensure that the same are faithfully observed by Occupants of his or her Townhome. Each person who comes within the Project shall be subject to the Rules and Regulations for the duration of his presence therein. A copy of the Rules and Regulations, as amended from time to time, shall be made available to Owners, Occupants and contract purchasers upon request and payment of a reasonable fee.

ARTICLE 13. MEMBERSHIP RIGHTS AND PRIVILEGES

Section 13.1 Rights and Privileges of Members. No member shall have the right, without the prior approval of the Board, to exercise any of the powers or to perform any of the acts delegated to the Board by these Bylaws or the Declaration. Each member shall have all of the rights and privileges, including but not limited to property rights and easement rights of access over and use and enjoyment of the Common Elements, granted to the members by the Declaration, subject to such limitations as may be imposed in accordance therewith.

Section 13.2 Suspension of Rights. The Association shall have the right to suspend the rights and privileges of an Owner as a member of the Association for the period during which any Assessment owed by such Owner remains unpaid and delinquent.

ARTICLE 14. INTERPRETATION

The provisions of these Bylaws shall be liberally construed to effect the purpose of ensuring that the Project shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner and Occupant.

Dated this 24th day of June, 2003.