

BY-LAWS
OF
ARAPAHOE LAKE NO. ONE ASSOCIATION

The name of the organization is Arapahoe Lake No. One Association (hereinafter referred to as "Association").

ARTICLE I

OBJECT

(Plan of Ownership)

1. The purpose for which this non-profit Association is formed is to promote the health, safety and welfare of the residents within the property situate in the County of Arapahoe, State of Colorado, and to maintain the common properties and other properties as is provided in the Declaration for Arapahoe Lake No. One.

2. All present or future owners, tenants, future tenants, or any other person that might use in any manner the facilities located on the properties described in the Declaration are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of a Lot (hereinafter referred to as "Lot") or the mere act of occupancy of any of said Lots will signify that these By-Laws are accepted, ratified, and will be complied with.

3. The definitions set forth in Section I of the Declaration are made a part hereof by this reference.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Ownership of a Lot is required in order to qualify for membership in this Association. Any person on becoming an owner of a Lot 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 a Lot, 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 this Association, or impair any right or remedies which the 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 ownership and membership and the covenants and obligations incident thereto.

2. Voting. Votes of the members of the Association shall be cast in accordance with the procedures and voting right provisions contained in the Declaration and the Articles of Incorporation. An Owner of an undivided fractional interest in and to a site shall be entitled to a vote equal to his fractional ownership interest in such site. Cumulative voting is prohibited.

3. Majority of Owners. As used in these By-Laws, the term "majority of owners" shall mean those owners of more than fifty percent (50%) of the Class I Lots plus the Class II Owners, if any.

4. Quorum. A quorum shall be constituted by twenty-five percent (25%) of the Class I members plus the Class B member, if any, of the Association appearing in person or by proxy.

5. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

1. Administration of the Association. The affairs of the Association shall be managed by a Board of Directors who shall be selected in the manner set forth in Section 3 of this Article and Section 1 of Article IV.

2. Place of Meeting. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meetings. Annual meetings of the Association shall be held on the first Monday of each year, commencing with that year in which the initial Board of Directors of the Association determines that sufficient Lots have been sold and occupied (and accordingly sufficient members belong to the Association) to make such a meeting meaningful. Until January 1, 1981, unless earlier relinquished by the Declarant pursuant to the Declaration, the Board of Directors of the Association (including the initial Board above referred to) shall be designated by the Declarant under the Declaration for Arapahoe Lake No. One, recorded in Arapahoe County, Colorado (or by its designee). From and after said date the Board of Directors shall be elected at each annual meeting in accordance with Section 5 of Article IV.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by at least one-third (1/3) of the Class I members and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of five-sixths (5/6) of the Class I members present plus the Class II member, if any, either in person or by proxy. Any such meeting shall be held within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. Notice of an annual or special meeting of the members shall be served by mailing in the manner set forth in Article X of these By-Laws. Such notice shall state the time and place (and if a special meeting, the purpose thereof). Such notice shall be mailed at least five (5) days and not more than twenty (20) days prior to the date of the meeting.

6. Adjourned Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

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

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

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. Until the date that the Board of Directors shall be selected by all of the members in accordance with the provisions of Article III, Section 3, above, the affairs of this Association shall be governed by a Board of Directors consisting of three (3) persons to be designated as therein provided. From and after the date when the Board of Directors shall be selected by all of the members as is therein provided, the said Board shall be enlarged to comprise five (5) members who shall thereafter govern the affairs of the Association until their successors have been duly elected and qualified.

2. Powers and Duties. The Board of Directors as above enunciated shall include by way of amplification, but not by way of limitation, the following:

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

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation and use of the Property, including the common areas, 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 promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the common property, all items of common personal property used by the owners in the enjoyment of the entire premises and exterior maintenance of each Lot and residence as provided in the Declaration.

(d) To require every owner of a Townhouse to maintain in force and effect insurance covering the improvements to the real estate and comprehensive personal liability property damage insurance in such amount as shall be determined from time to time by the Directors.

(e) To prepare a budget for the Association at least annually, to determine the amount of the common assessments payable by the owners to meet the assessment, and allocate and assess such assessments among the owners at a uniform rate for all Lots and by majority vote of the Board to adjust, decrease or increase the amount of the assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special 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.

(f) To collect delinquent assessments by suit or otherwise and 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 ten percent (10%) of the amount of each delinquent installment and to collect interest at the rate of eight percent (8%) per annum in connection with assessments remaining unpaid more than ten (10) days from the due date for payment thereof, together with all expenses, including attorney's fees incurred.

(g) To protect and defend the entire premises 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. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their voting interests.

(i) To enter into contracts within the scope of 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 by the Board of Directors.

(k) To make repairs, additions, alterations and improvements to the common areas and improvements, if any, thereon and to provide the exterior maintenance upon each Townhouse as is set forth in the Declaration consistent with managing the properties in a first class manner and consistent with the best interests of the owners.

(l) To cause full and accurate books and records to be maintained which reflect all receipts, expenses or disbursements.

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

(n) To designate the personnel necessary for the operation of the Association.

(o) 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 Association.

(p) To employ for the Association a management agent provided, however, that for a period of three (3) years from the date that all Lots shown upon the plat have been sold and occupied, the Board of Directors shall employ a professional real estate management company to perform those duties set forth in this Article under the supervision and pursuant to directions of the Board of Directors; provided however, that any agreement for management must be terminable on ninety (90) days written notice and shall in no event be for a term in excess of three (3) years.

4. No Waiver of Rights. The omission or failure of the Association or any owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, the By-Laws or the regulations and house rules 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. From and after the date when members of the Board of Directors are elected by all of the members of the Association, the term of office of such Directors shall be for an annual term of one (1) year and until the election and qualification of his successor. Until such date the term of the Board of Directors shall be for so long as shall be determined from time to time by the Declarant.

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 a successor is elected at the next annual meeting of the Association.

7. Removal of Directors. Commencing with the date when Directors are elected by the total membership as provided in Article III, Section 3, any one or more of the Directors may be removed, at any regular or special meeting, 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.

8. First Meeting of Newly Elected Directors. The first meeting of a newly elected Board of Directors following the annual meeting of the owners shall be held within ten 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 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 such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three 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 at least three (3) 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 transacted 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. Fidelity Bonds. The Board of Directors, at its discretion, may require that any or all employees of the Association or managing agents of the Association shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense of the members, to be included in the annual assessment herein provided.

14. Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

ARTICLE V

FISCAL MANAGEMENT

The provisions for fiscal management for and in behalf of all of the owners as set forth in the Declaration shall be supplemented by the following provisions:

1. Accounts. The funds and expenditures 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 part of the common assessment.

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

2. Budget and Expense Certification. All expenditures and budgets shall be certified by either the professional real estate management agent for the Association or a certified public accountant.

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 and from the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such assistant officers need not be members of the Board of Directors.

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 or at any special meeting of the Board called for such purpose.

4. President. The President 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 an association, 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 have all the powers and authority and perform all the functions and duties of the President, in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

6. Secretary. The Secretary 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 and 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 and number or other appropriate designation of the site and the address thereof owned by such member. 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 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 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. In the event a managing agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the managing agent within 15 days after the first day of each month.

8. Managing Agent. In the event a managing agent has been employed, the Board of Directors shall have the power of delegating to it any of the powers hereinabove vested in any of the officers except that of the President. Provided, however, that for a period of three (3) years after the date that all sites have been improved, sold and occupied, administration and management of the Association and the property shall be delegated to a professional real estate management company which shall perform its duties under the supervision of and pursuant to the direction of said Board of Directors; provided however, that any agreement for management must be terminable on ninety (90) days written notice and shall in no event be for a term in excess of three (3) years.

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

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 party 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 or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a common expense of all the owners; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member 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 or these By-Laws.

2. Other. Contracts or other commitments made by the Board of Directors, officers or the managing agent shall be made as agent for the owners, and they shall have no personal responsibility on any such contract or commitment (except as owners), and the liability of any owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as his interest bears to the aggregate interest of all of the owners.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

These By-Laws may be amended by a majority vote of the Class I owners and the approval of the Class II member, if any, at any duly constituted meeting, provided that notice of the proposed amendment shall be given to the members as a part of the notice of the meeting.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his Lot or Residence shall notify the Association through the managing agent, if any, or the Secretary of the Board of Directors, giving the name and address of his mortgagee. The Association or its managing agent shall maintain such information in a book entitled "Mortgagees of Residences."

2. Notice of Unpaid Assessments. The Board of Directors, whenever so requested in writing by a mortgagee, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged Residence.

3. Notice of Default. The Board of Directors, when giving notice to an owner of a default in paying assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Residence whose name and address has theretofore been furnished to the Board of Directors.

4. Examination of Books. Each owner and his mortgagee shall be permitted to examine the books of account of the Association at reasonable times, on business days.

ARTICLE X

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

1. Proof of Ownership. Except for those owners who initially purchase a Residence from Declarant, any person on becoming an owner of a Residence or Lot shall furnish to the managing agent or Board of Directors a copy of the recorded instrument vesting that person with such interest or ownership, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

2. Registration of Mailing Address. The owners or the several owners of a Residence or Lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, 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 an 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 such owners 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 Residence or Lot is owned by one person, his right to vote shall be established by the record title thereto. If title thereto 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 reappoint 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 shall be deemed in good standing and entitled to vote at any annual or special meeting of the members.

ARTICLE XI

OBLIGATIONS OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the annual assessments imposed by the Association to meet the common expenses and other payments as provided in the Declaration for Arapahoe Lake No. One. The assessments shall be made pro rata with respect to each Lot and shall be due quarterly 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.

2. General.

(a) Each owner shall comply strictly with the provisions of the recorded 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 planned residential community was and is being developed.

ARTICLE XII

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

Abatement and Enjoinment. The violation of any rule or regulation adopted by the Board of Directors or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the manag-

ing agent the right, in addition to any other rights set forth therein, to (i) enter upon the site on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or managing agent shall not be deemed guilty in any manner of trespass; (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XIII

COMMITTEES

The Association shall be served by such committees, performing such functions, as shall from time to time be provided by the Board of Directors.

ARTICLE XIV

NON-PROFIT PURPOSE

This Association is not organized for profit. No member, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or 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 XV

AUTHORIZED ACTS

The person who shall be authorized to execute any and all contracts, documents, instruments of conveyances or encumbrances, including promissory notes, shall be the President or Vice President and the Secretary or Assistant Secretary of the Association. In the event that a professional management company shall be employed by the Board of Directors, then any authorized officer of said management company shall likewise be authorized to execute any documents which come within the general purview of their management authority.

APPROVED:

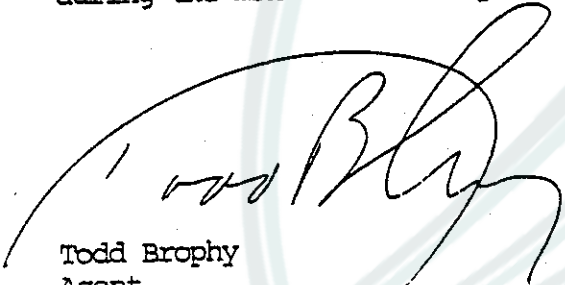
Samuel Alpert
Nelson Lopez
David Lopez

FIRST AMENDMENT TO THE BYLAWS
OF THE ARAPAHOE LAKE NO. ONE ASSOCIATION

As approved by the Association at the annual meeting January 5, 1981;

Article III, Section 3 shall be amended to read:

Annual Meetings. Annual meetings of the Association shall be held during the month of January each year.



Todd Brophy
Agent
Arapahoe Lake No. One Association

WESTWIND
MANAGEMENT GROUP, INC.

SECOND AMENDMENT TO THE BYLAWS
OF ARAPAHOE LAKE NO. ONE ASSOCIATION

As approved by the Association at the annual meeting January 5, 1983;

Article IV, Section 5 shall be amended to read:

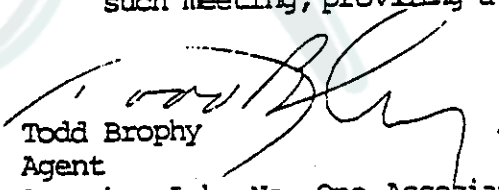
5. Election and Term of Office: At the annual meeting to be held in January 1983, five Directors will be elected, three to serve two (2) year terms and two to serve one (1) year terms. Thereafter, the term of office of such Directors shall be for two years and until the election and qualification of his successor. Three of the five directors terms shall begin in odd numbered years and the remaining two directors terms shall begin in even numbered years.

Article IV, Section 6 shall be amended to read:

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 for the balance of the two year Director term and until a successor is elected.

Article IV, Section 8 shall be amended to read:

8. First Meeting of the Board of Directors following an Annual Meeting: The first meeting of the Board of Directors following the annual meeting of the owners shall be held within ten days thereafter at such place as shall be fixed by the Directors at the Annual Meeting and no notice shall be necessary to the Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.


Todd Brophy
Agent

Arapahoe Lake No. One Association