

BYLAWS
OF
PINEY CREEK RECREATIONAL ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is PINEY CREEK RECREATIONAL ASSOCIATION, INC., hereinafter referred to as the "Master Association." The principal office of the corporation shall be located at 3600 South Yosemite, Suite 750, Denver, Colorado 80237, but meetings of members and directors may be held at such places within the Denver metropolitan area, State of Colorado as may be designated by the Board of Directors.

ARTICLE II

OBJECT
(Plan of Ownership)

1. The Piney Creek Recreational Association, Inc., shall be a nonprofit corporation.

2. The purpose for which this nonprofit Association is formed is to govern the property which has been or will be submitted to the provisions of the Declaration of Covenants, Conditions and Restrictions of Piney Creek Recreational Association, Inc. (hereinafter referred to as the "Declaration") recorded or to be recorded in the Arapahoe County, Colorado land records. The definitions set forth in the Declaration shall also be applicable to these Bylaws.

3. All present or future Owners, tenants, future tenants or any other persons who might use in any manner the improvements upon the Property are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Lots or the mere act of occupancy of any of said Lots will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of

each year as the month in which the first annual meeting was held, the specific date, time and location thereof to be designated by the Board of Directors from time to time.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person and/or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 6. Mortgages. All First Mortgagees of Lots shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors. Directors shall be Members which, in the case of Declarant, shall include its venturers and their officers, directors and employees and in the case of corporate Members shall include the officers and directors of each such corporate Member.

Section 2. Term of Office. At the first annual meeting of the Association, the Members shall elect two directors for terms of one year, two directors for terms of two years, and one director for a term of three years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of three years. At the first annual meeting of the Association, the candidate for the Board of Directors who receives the largest number of votes shall be elected for a three-year term, the two candidates who receive the next largest numbers of votes shall be elected for two-year terms, and the two candidates who receive the next largest numbers of votes shall be elected for one-year terms.

Section 3. Removal. Any director may be removed from the Board of Directors, with or without cause, by a majority vote of each class of Members, provided that, so long as there is a Class B membership, Declarant may remove and replace any director who is serving in such capacity as a result of being an officer, director or employee of the Declarant's Venturers. In the event of death, resignation or removal of a director, except removal by Declarant, as aforesaid, his successors shall be selected by the remaining members of the Board of Directors, whether or not such remaining member(s) constitute a quorum, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The 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 of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting of the Board of Directors at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the Recreational Property and facilities thereon and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and the right to use recreational facilities with the Recreational Property of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended for a period not to exceed 60 days, for infraction of published rules and regulations of the Association;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (d) 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; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties, provided that any agreement for professional management of the Association's business must provide for termination by either party with or without cause and without payment of a termination fee upon thirty (30) days' prior written notice, and shall have a maximum term of one (1) year. Further, each and every management contract made between the Association and a manager or managing agent during the period when the Declarant or other developer controls the Association shall terminate absolutely, in any event, not later than thirty (30) days after the termination of the Class B membership pursuant to the terms of the Declaration. All such management contracts entered into by the Master Association with a manager or managing agent during the period of control by the Declarant or other developer shall be subject to review and approval by the Federal Housing Administration of the U. S. Department of Housing and Urban Development or the Veterans Administration. The provisions of this paragraph shall be contained, verbatim, in each and every such management contract.

(f) enter into contracts, licenses or leases other than pursuant to subsection (e) above, provided that any such contracts, licenses or leases entered into by the Association while there is a Class B membership shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of the Class B membership, upon not more than ninety (90) days' prior written notice; provided, further, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto without cause and without payment of a termination fee upon ninety (90) days' prior written notice. Notwithstanding anything to the contrary contained in this subsection (f), the Association may enter into contracts, licenses and leases in violation of this subsection (f), upon a waiver of any requirements contained herein by the Veterans Administration, Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members, who are entitled to vote thereat;

(b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) foreclose the lien against any Lot for which assessments are not paid within ninety (90) days after the due date, or bring an action at law against the Owner(s) personally obligated to pay the same;

(d) issue, or cause an appropriate officer or authorized agent to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain insurance, as more fully provided in the Declaration;

(f) cause the Recreational Property to be maintained;
and

(g) notify in writing the First Mortgagee of any Lot or Condominium Unit, upon written request, when the Owner thereof is in default in the payment of any assessment, or otherwise in default of any obligation under the Declaration, Articles of Incorporation, or these Bylaws and the Board of Directors has actual knowledge of such default, and said default has not been cured within sixty (60) days.

ARTICLE VIII

RIGHTS OF THE ASSOCIATION

This Association may exercise any and all rights or privileges given to it under the Declaration, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be Members of the Board of Directors, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

Section 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 may, from time to time, determine.

Section 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 of the Association. 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 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 replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign all promissory notes and checks of the Association.

Vice-President

(b) The vice-president shall act in the place and stead of the president in the event of the president's 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.

Secretary

(c) The secretary or a designated agent shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign or authorize a designated agent to sign all promissory notes and checks of the Association; shall keep proper books of account; shall cause an annual audited financial statement to be prepared if so required pursuant to Article IX, Section 3 of the Declaration and otherwise shall cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Board of Directors, an annual review or audited financial statement may be required; and shall prepare an annual budget to be presented to the membership at its regular annual meeting, and deliver a copy to the Members.

ARTICLE X

COMMITTEES

The Board of Directors or Declarant, as more fully provided in the Declaration, shall appoint an Architectural Control Committee; in addition, the Board of Directors shall appoint a Nominating Committee as provided in these Bylaws. Further, the Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes.

ARTICLE XI

BOOKS AND RECORDS

The Association shall make available to Owners, First Mortgagees of Lots, and insurers or guarantors of any such First Mortgage, current copies of the Declaration, Articles of Incorporation, these Bylaws, the rules and regulations, books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal weekday hours or under other reasonable circumstances.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay assessments to the Association, which assessments are secured by a continuing lien upon the Lot against which the assessment is made. Any assessment or portion thereof which is not paid when due shall be delinquent. Any assessment

or portion thereof which is not paid within eighteen (18) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum and the Association may assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot and in the event a judgment is obtained, such judgment shall include interest and late charges on the assessments, as above provided, and a reasonable attorneys' fee to be fixed by the Court, together with the costs of the action. No Owner may waive or otherwise escape liability for the assessments provided for in the Declaration by non-use of the Recreational Property or abandonment of his Lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: PINEY CREEK RECREATIONAL ASSOCIATION, INC.

ARTICLE XIV

AMENDMENTS

Subject to the provisions of Article IX, Section 1(6) of the Declaration, these Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy; provided, however, that the Federal Housing Administration of the U.S. Department of Housing and Urban Development or the Veterans Administration shall have the right to veto amendments while there is a Class B membership.

ARTICLE XV

CONFLICTS OF PROVISIONS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE XVI

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director, officer,

agent and employee, and any former director, officer, agent and employee against all loss, costs and expenses, including attorney's fees, reasonably incurred in connection with any action, suit, or proceeding to which such person may be made a party by reason of being or having been such a director, officer, agent or employee of the Association, except for matters in which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnity shall be limited to and may only be paid out of the insurance proceeds provided by an insurer furnishing officers and directors errors and omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies. No indemnification shall be provided for acts constituting gross negligence, nor for fraud, nor for more reprehensible conduct. In the event of a settlement, the settlement shall be approved by the insurance carrier and paid for by the insurance carrier out of the insurance proceeds. The foregoing rights shall not be exclusive of other rights to which such director, officer, agent or employee may be entitled.


ARTICLE XVII

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the last day of December every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of PINEY CREEK RECREATIONAL ASSOCIATION, INC., have hereunto set our hands this 3rd day of October, 19 83.

DIRECTORS:



Steven B. Chotin



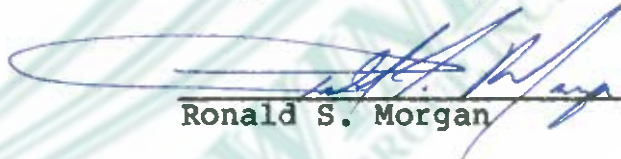
David D. Mandarich



Gary L. Mandarich



Robert T. Rosen



Ronald S. Morgan

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of PINEY CREEK RECREATIONAL ASSOCIATION, INC., a Colorado non-profit corporation, and

THAT the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 3rd day of October, 19 83.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 3rd day of October, 19 83.



Secretary

[SEAL]