

BYLAWS
OF
BLACK MOUNTAIN RANCHES OWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Black Mountain Ranches Owners Association, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 130 Jackson, Denver, Colorado 80206, but meetings of members and directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

All of the terms used in these Bylaws shall have the same meaning as set forth in the Declaration of Covenants, Restrictions, Easements, Charges and Liens for Black Mountain Ranches ("Declaration") recorded October 25, 1983 in Book 360 at Page 770, in the Books and Records of the Clerk and Recorder of Park County, Colorado.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

As provided in Article IV of the Articles of Incorporation of the Association (the "Articles"), every person or entity who is the fee owner of a lot in the Black Mountain Ranches Subdivision, or who is subject to assessment, either present or future, by the Association pursuant to the provisions of any recorded instrument relating to such assessment, shall be a member of the Association.

ARTICLE IV

MEETING 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 on that day of the same month of each year thereafter, and at that hour, as designated by the Board of Managers of the Association (the "Board") in a written notice thereof. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board or upon written request of members who are entitled to vote one-fourth (1/4) of all of the votes of the Association.

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 fifteen (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 purpose 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. For the purpose of issuing such notices, the Board may establish a record date for determination of membership in accordance with the laws of Colorado.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of members holding proxies and entitled to cast, one-fifth (1/5) of the votes of members shall constitute a quorum for any action. If, however, such quorum is not present or represented at any meeting, the members entitled to vote thereat shall have 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 be represented.

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 at least twenty-four (24) hours prior to the commencement of the meeting of members at which such proxy is sought to be utilized. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot, and shall also cease

upon attendance in person by the member who previously gave a proxy. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy.

Section 6. Majority Vote. At any meeting of members at which a quorum is present, the affirmative vote of members representing one (1) vote more than fifty percent (50%) of the votes present in person or by proxy and entitled to be voted shall be the act of the members, unless the vote of a greater number is required by law, the Declaration, the Articles or these By-Laws.

ARTICLE V

BOARD OF DIRECTORS: ELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors who shall be members of the Association (excepting those persons appointed as managers by the Developer pursuant to the Declaration).

Section 2. Term of Office. At the first annual meeting of the members three (3) years after the first lot is sold by Declarant, or upon the sale or other conveyance by Declarant of fifty percent (50%) of the lots then presently platted, whichever occurs first, the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years and one (1) director for a term of three (3) years; and at annual meetings thereafter, the members shall elect directors for terms of three (3) years each.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor. Every director whose removal is voted upon by the members shall be entitled to speak and be heard prior to the vote for removal.

Section 4. Resignations, Vacancies. Any director may resign at any time by giving written notice to the president or to the secretary of the Association. Each resignation shall become effective at the time specified therein, and acceptance of the resignation shall not be necessary to make the resignation effective. Any vacancy occurring in the Board owing to resignation or death shall be filled by the affirmative vote of a majority of the directors then in office, even though less than a quorum. A director so

elected to fill a vacancy shall serve until the next annual meeting of members.

Section 5. 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 6. Meetings by Telephone. The directors may hold meetings via a telephone conference call, and any action taken by the Board at such a telephone conference call meeting shall have the same force and effect as such action taken at a meeting at which a quorum of the Board was physically present.

Section 7. 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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 8. Election. Election to the Board shall be by 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 Articles. 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 shall be held, from time to time, as the Board, by vote, may determine without written notice and 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 shall be held when called by the president of the Association, or by any two (2) directors, after not less than seventy-two (72) hours notice to each director.

Section 3. Quorum, Majority Vote. The presence, in person or by proxy, at the meeting of the Board, of two of the directors shall constitute a quorum and the vote of a majority of those present and entitled to vote shall be an act of the Board. If, however, such quorum shall not be

present or represented at any meeting, the director entitled to vote thereat shall have to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

Section 4. Waiver of Notice. Before, at or after any meeting of the Board of Directors, any director may waive in writing notice of such meeting and such waiver shall be deemed equivalent to the giving and receipt of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him, except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

ARTICLE VI

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 personal conduct of the members, their tenants and their guests thereon and to establish penalties for the infraction thereof;

(b) suspend the voting rights 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 after notice and hearing before the Board, for a period not to exceed thirty (30) days, for infraction of published rules and regulations, provided the denial of any service provided by the Association does not present an immediate danger to the member or his property;

(c) exercise for the Association of all powers, duties and authority vested in or delegated to this Association by these By-Laws, the Articles, the Declaration or by law, and not reserved to the membership by other provisions of said documents or the law;

(d) declare the office of a member of the Board to be vacant in the event such director shall be absent from three (3) consecutive regular meetings of the Board;

(e) employ a manager, and independent contractors, or such other employees as it deems necessary, and to prescribe their duties;

(f) oversee maintenance of the private roads of the association; and

(g) to adopt and publish rules and regulations concerning the perpetual fishing rights of all members on Twelve-Mile Creek and on the Platte River for so long as such rights exist on the Platte River, including, where deemed necessary, the stocking of fish.

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 to 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 members who are entitled to vote;

(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 assessments and prepare a roster of the lots and the assessments applicable thereto;

(2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period, and;

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same;

(d) issue, or to cause an appropriate officer to issue, upon demand by any owner, first mortgagee of a lot, prospective owner or prospective first mortgagee, a certificate setting forth whether or not any assessment has been paid (a reasonable charge may be made by the Board for the issuance of these certificates); if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) cause all officers or employees having fiscal responsibilities to be bonded, if the Board, in its sole discretion, deems such to be appropriate; and

(f) administer and enforce the provisions of the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumerating of Officers. The officers of this Association shall be a president, who shall at all times be a member of the Board of Directors, a vice-president, 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 following each annual meeting of the members.

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

Section 4. Special Appointments. The Board 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. Any officer may resign at any time by giving written notice to the Board, 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 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. A person may hold more than one office simultaneously, except that no person shall simultaneously hold the offices of president and secretary.

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

President

(a) The president shall preside at all meetings of the Board and of the members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall co-sign all checks and promissory notes; and shall be the chief executive officer of the Association, having general and active control of the affairs of the Association and general supervision of its officers, agents and employees, subject to any management agreement authorized by the Board.

Vice-President

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

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board, its Executive Committee and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve proper notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses and the names and addresses of their mortgagees, if any, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer 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; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members. He shall perform all other duties incident to the office of treasurer and, upon request of the Board, shall post a bond satisfactory to the Board conditioned upon faithful performance of his duties. The cost of such bond shall be paid by the Association.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. Review of Plans. No building covenants, fence, wall, canopy, awning, structure or improvement or change in landscaping shall be commenced, erected, altered, moved, removed or maintained upon the properties nor shall any exterior addition to or change or alteration thereof be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to compliance with the Declaration and as to harmony of external design and location in relation to surrounding structures and topography by an Architectural Control Committee composed of representatives appointed by the Developer or subsequently elected by two-thirds vote by members at any annual meeting or special meeting of the members.

Section 2. Architectural Control Committee. The Architectural Control Committee ("Committee") shall exercise its best judgment to see that all improvements, construction, landscaping and alterations on lands within the properties conform to and harmonize with existing surroundings and structures. The Committee shall consist of three (3) persons.

Section 3. Procedures. The Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the Committee fails to take any action within thirty (30) days after requests have been submitted, approval will not be required, and this Article IX will be deemed to have been fully complied with.

Section 4. Majority Vote, Designated Representative. A majority vote of the Committee is required for approval or disapproval of proposed plans and specifications. A majority of the Committee may designate, in writing, a representative to act.

Section 5. Written Records. The Committee shall maintain written records of all applications submitted to it and of all actions it may have taken.

Section 6. No Liability. The Committee shall not be liable in damages to any person submitting requests for approval or to any owner within the properties by reason of any action, failure to act, approval, disapproval or failure to approve or disapprove with regard to such requests.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director, officer and member of the Committee and his or her heirs, executors and administrators against all loss, costs and expenses, including counsel 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 an Association director, officer or member of the Committee, except as to matters for which such person 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 where the Association is advised by legal 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 manager, officer or member of the Committee. The foregoing rights shall not be exclusive of other rights to which such persons may be entitled. All liability, loss, damage, costs and expenses incurred, if suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions, shall be treated and handled by the Association as a common expense. Nothing contained in this Article shall, however, be deemed to obligate the Association to indemnify any member who is, or has been, an Association manager, officer or member of the Committee with respect to any duties or obligations assumed, or liabilities incurred, as a member or owner of a lot under or by virtue of the Declaration.

ARTICLE XI

BOOKS AND RECORDS

The books, records and papers of the Association shall, at all times, during reasonable business hours, be subject to inspection by any member or his first mortgagee. The Declaration, the Articles and the By-Laws shall be available for inspection by any member, or his first mortgagee, at the principal office of the Association where copies may be purchased at reasonable cost.

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special

assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of or abandonment of his lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words "Black Mountain Ranches Owners Association".

ARTICLE XIV

ACCESS BY EMERGENCY VEHICLES

All public safety and fire protection emergency vehicles and ambulances shall have the right to use the private roads of development as reasonably required to fulfill their purposes.

ARTICLE XV

AMENDMENTS, GOVERNING PROVISIONS AND SPECIAL BY-LAWS

Section 1. Required Approval. Except as provided below, these By-Laws may be amended at a regular or special meeting of the members by a vote of two-thirds (2/3) of a quorum of members present in person or by proxy and entitled to vote.

Section 2. Governing Provisions. In the case of any conflict between the Articles and these By-Laws, the Articles shall control and in the case of any Declaration shall control.

ARTICLE XVI

COMPLIANCE WITH INTERNAL REVENUE CODE

Anything in law, the Articles or these By-Laws to the contrary notwithstanding, the Association shall not be empowered to do or perform any act or thing not authorized to be done by a corporation exempt from federal income tax pursuant to Section 528 of the Internal Revenue Code of 1954 as amended.

ARTICLE XVII

FISCAL YEAR

The fiscal year of the Association shall be designated by the Board.

IN WITNESS WHEREOF, we, being all the directors of the Black Mountain Owners Association, have hereunto set our hands this 31st day of October, 1986.

Howard J. Nerlich
H. J. Nerlich

John Brenske
John Brenske

Mel Husky
Mel Husky

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected secretary of the Black Mountain Ranches Owners Association, a Colorado corporation; and

THAT THE foregoing By-Laws constitute the By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 31st day of October, 1986.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 31st day of October, 1986.


Secretary

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