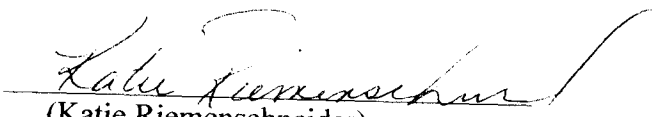


"I hereby certify that the attachment, consisting of 16 pages constitutes the bylaws of the Village Lot Owners Association, Inc. as amended, as of the 9th day of September 2004. The association has the right to amend the bylaws at any time as established by state law and the association documents."

Village Lot Owners Association, Inc.

By: 
(Katie Riemenschneider)
Secretary

(Updated to include amendments
through June 30, 1988.)

BYLAWS
OF
VILLAGE LOT OWNERS ASSOCIATION, INC.

These Bylaws of the Village Lot Owners Association, Inc., were adopted by the Board of Directors of the Association on the 1st day of August, 1986.

ARTICLE 1.0

Purpose and Definitions

1.1 Purpose. These Bylaws are adopted to facilitate the regulation and proper management of the affairs of the Village Lot Owners Association, Inc. The provisions contained in these Bylaws are intended to be supplemental and subordinate to the provisions of the Articles of Incorporation of the Association. In the event of any inconsistency between any provision hereof and any provision(s) of the Articles of Incorporation, the provisions of the Articles of Incorporation shall control.

1.2 Definitions. The following terms shall have the following meanings when used in these Bylaws, unless the context otherwise requires:

1.21 Assessment Power. "Assessment Power" refers to the power to assess Owners of Lots within the First Filing and within the Second Filing, which power is set forth in Paragraph 24 of the Protective Covenants and Restrictions.

1.22 Association. "Association" means the Village Lot Owners Association, Inc., a Colorado nonprofit corporation.

1.23 Board of Directors. "Board of Directors" or "Board" means the governing body of the Association, as provided in the Articles of Incorporation and these Bylaws of the Association.

1.24 First Filing. "First Filing" refers to the subdivision of Grand County, Colorado, consisting of ninety-one (91) Lots and known as Val Moritz Village First Filing, the plat of which is filed under Reception No. 117337 of the records of the Clerk and Recorder of Grand County, Colorado.

1.25 First Mortgage. "First Mortgage" means any Mortgage on one or more Lots having a first and paramount priority subject only to the lien of general or ad valorem taxes and assessments.

1.26 Lot. "Lot" means a parcel of land within the First Filing or the Second Filing, capable of separate fee simple ownership, and bearing a lot number within a designated block of lots.

1.27 Mortgage. "Mortgage" means any mortgage, deed of trust or other security instrument by which a Lot or any part thereof is encumbered.

1.28 Mortgagee. "Mortgagee" means a beneficiary under a Mortgage.

1.29 Owner. "Owner" means the record owner, whether one or more persons or entities, of fee simple title to any Lot. The term "Owner" shall not refer to any Mortgagee unless such mortgagee has acquired fee simple title to a Lot pursuant to foreclosure or any proceeding in lieu of foreclosure.

1.30 Protective Covenants and Restrictions. "Protective Covenants and Restrictions" means the Protective Covenants and Restrictions pertaining to the First Filing, recorded in Book 177 at Page 06 of the records of the Clerk and Recorder of Grand County, Colorado; and those pertaining to the Second Filing, recorded in Book 177 at Page 370 of the records of the Clerk and Recorder of Grand County, Colorado.

1.31 Second Filing. "Second Filing" refers to the subdivision of Grand County, Colorado, consisting of one hundred five (105) Lots and known as Val Moritz Village Second Filing, the plat of which is filed under Reception No. 117593 of the records of the Clerk and Recorder of Grand County, Colorado.

1.32 Subdivisions. "Subdivisions" refers to the First Filing and the Second Filing.

ARTICLE 2.0

Membership

2.1 Eligibility. Membership in the Association shall be available and limited to the Owner of one or more Lots, whose ownership is evidenced by instrument(s) recorded in the office of the Grand County, Colorado Clerk and Recorder.

2.2 Application. An Owner who desires to become a Member shall make application for membership in writing upon such form as the Board of Directors shall approve from time to time. Payment of all assessments due with respect to an Owner's Lot shall be a prerequisite to the granting of membership in the Association.

2.3 Evidence of Membership. Membership shall be evidenced by a Certificate signed by the Secretary, in such form as shall be approved by the Board of Directors. One Membership Certificate shall be issued per Lot.

2.4 Membership Appurtenant to Title to Lot. Once granted, an Owner's membership shall be irrevocable, and shall be appurtenant to the Lot(s) upon which it is based. Transfer of membership shall occur automatically upon the transfer of fee title to the Lot(s) to which membership pertains, as evidenced by instruments recorded in the office of the Grand County, Colorado Clerk and Recorder.

2.5 Transfer Upon Association Membership Records. Transfer of a membership shall not be effective with respect to the Association until the date which is fifteen (15) days after the date upon which a photocopy of the recorded instrument(s) by which the transfer was made is delivered to the Secretary who shall issue a new Certificate of Membership to the new Owner. The Certificate of Membership of the former Owner shall be canceled by the Secretary.

ARTICLE 3.0

Meetings of Members

3.1 Place of Meeting. Meetings of Members of the Association shall be held at such place as is specified in the Notice of a particular meeting, which may be within or without the State of Colorado. If a notice of a member's Meeting shall

fail to specify the place of the meeting, it shall be held at the registered office of the Association as reflected by the Association's records on file with the Colorado Secretary of State.

3.2 Annual Meeting. The first annual meeting of the members shall be held at 7:30 P.M., on June 24, 1988. Subsequent annual meetings shall be held at the same time on the fourth Friday in June of each succeeding year, or at such other date and time as the Board of Directors may designate. At each annual meeting of members, Directors shall be elected as provided in 4.3 of these Bylaws, and such other business may be transacted as may properly come before the meeting.

3.3 Special Meetings. The President shall call a special meeting of the members when so directed by resolution of the Board of Directors or upon presentation to the Secretary of a petition signed by a majority of the members. No business shall be transacted at a special meeting except as stated in the notice thereof.

3.4 Notice. Notice of annual and special meetings shall be given by the President or the Secretary by regular mail addressed to the addresses of members as reflected by the Association membership records, not less than ten (10) nor more than fifty (50) days prior to the date set for the meeting. The notice shall state the date, time and place of the meeting and, if the meeting is a special meeting, the purposes thereof. Waiver of notice, either in person or by proxy, and signed either before, at or after any meeting, shall be a valid substitute for service of notice. The certificate of the President or Secretary that notice was duly given shall be prima facie evidence thereof.

3.5 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members who own thirty-five percent (35%) or more of the one hundred ninety-six (196) lots within the First Filing and Second Filing shall constitute a quorum. An affirmative vote of the majority of the votes entitled to be cast at a meeting, determined by the presence of the voters or by proxy, shall be required to transact business.

3.6 Proxies. Member's votes may be cast in person or by proxy. Proxies shall be in writing and the signature of the person(s) executing the proxy must be acknowledged by a notary public. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof.

3.7 Cumulative Voting Prohibited. Cumulative voting for Directors or any other matter voted upon by the members is not permitted.

ARTICLE 4.0

Board of Directors

4.1 Number and Initial Directors. The affairs of the Association shall be governed by a Board of Directors composed initially of three (3) Directors, who shall exercise all of the powers of the Association. The initial members of the Board of Directors shall be Mary Bresnahan, Phyllis Schaer, and Susan Anderson. On June 24, 1988, the Board of Directors shall be composed of five (5) Directors, who shall act in such capacity and shall manage the affairs of the Association until their successors are elected and qualified.

4.2 Powers and Duties. The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to the Association under the provisions of these Bylaws, the Articles of Incorporation of the Association, and Colorado Law. Such powers and duties shall include, but shall not be limited to, the following:

4.21 To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary to carry out the functions of the Association.

4.22 To determine, fix, levy and collect the annual and special assessments of the Association, pursuant to the Assessment Power, to send written notice of each assessment to every Owner, and to collect delinquent assessments by suit, foreclosure or otherwise.

4.23 To procure and maintain such liability, hazard and other insurance as the Board of Directors may from time to time deem necessary.

4.24 To borrow funds and to execute all instruments evidencing such indebtedness.

4.25 To enter into contracts within the scope of their duties and powers.

4.26 To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

4.27 To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association and to permit examination thereof by members and Mortgagees at convenient weekday business hours.

4.28 To employ such personnel as may be deemed necessary from time to time in carrying out the functions of the Association.

4.29 In general, to carry on the administration of the Association and to do all of those things necessary and reasonable in order to carry out the functions of the Association under these Bylaws, the Articles of Incorporation and Colorado Law.

4.3 Election and Term of Office. Directors shall hold office for a term of five (5) years, except that the term of office for the initial Directors shall be as follows:

Mary Bresnahan: June 24, 1988

Susan Anderson: June 23, 1989

Phyllis Schaer: June 22, 1990

At the June 24, 1988 annual meeting, three (3) Directors shall be elected, for terms expiring as follows:

One Director 1991

One Director 1992

One Director 1993

At each annual election, the successor of the Director whose term has expired shall be elected for a term of five (5) years, so that one of the five (5) Directors is elected annually.

4.4 Vacancies. Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, although less than a quorum. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor.

4.5 Removal of Directors. When the notice indicates the purpose, Directors may be removed at any meeting of members. The entire Board of Directors or any lesser number may be

removed, with or without cause. A Director whose term expires at the next annual meeting of members may be removed by a vote of a majority of the members present in person or by proxy. Directors whose terms do not expire at the next annual meeting of members may be removed only by a vote of at least two-thirds (2/3) of the members present in person or by proxy.

4.6 Annual Meetings. The annual meeting of the Board of Directors shall be held immediately following the adjournment of the annual meeting of members. No special notice of the annual meetings shall be necessary.

4.7 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner on the written request of any Director.

4.8 Waiver of Notice. Before, at or after 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 any 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.

4.9 Quorum. At all meetings of the Board of Directors, a majority thereof 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.

4.10 Compensation. No Director shall receive compensation for acting in such capacity. However, any Director may be reimbursed for transportation and other reasonably related expenses for attendance at any regular or special meeting of the Board of Directors.

4.11 Action Without a Meeting. Any action required to be taken at a meeting of the Directors or any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors entitled to vote with respect to the subject matter thereof.

4.12 Required Vote to Levy Assessment. Anything in these Bylaws to the contrary notwithstanding, a two-thirds (2/3) vote of all the Directors shall be required to levy an assessment upon lots pursuant to the Assessment Power.

ARTICLE 5.0

Officers

5.1 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 the Board of Directors.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the Board's annual meeting and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with or without cause, and his or her successor elected at any regular meeting of the Board, or at a special meeting of the Board called for such purpose.

5.4 President. The President shall be the chief executive officer of the Association and shall be elected from among the members of the Board of Directors. The President shall preside at all meetings of the members of the Association and the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of the president of a nonprofit corporation, including but not limited to the power to sign and execute, on behalf of the Association, all deeds, agreements, contracts, notes, bills of exchange, checks and all other written documents which may require the signature of the Association.

5.5 Vice-President. A Vice-President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his or her inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The Secretary shall keep the minutes of meetings of the Board of Directors and minutes of meetings of the members. The Secretary shall have charge of such books and

papers as the Board of Directors may direct, and shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up-to-date at the principal office of the Association a complete list of members and their registered mailing addresses. 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.

5.7 Assistant Secretary. The Board of Directors may from time to time appoint one or more Assistant Secretaries to perform some or all of the duties of the Secretary, but subject always to the supervision of the Secretary.

5.8 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate financial records and books of account of the Association. The Treasurer 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. The Treasurer may also serve as Secretary in the event the Secretary is absent.

5.9 Assistant Treasurer. The Board of Directors may from time to time appoint one or more Assistant Treasurers to perform some or all of the duties of the Treasurer, but subject always to the supervision of the Treasurer.

ARTICLE 6.0

Indemnification

6.1 Indemnification of Director and/or Officer. The Association shall indemnify every Director, officer, or former Director or officer against expenses actually and reasonably incurred by him, including reasonable attorney fees, in connection with the defense of any action, suit, or proceeding, civil or criminal, in which he is made a party by reason of being or having been a Director or officer, except in relation to matters as to which he is adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty to the corporation.

6.2 Indemnification of Directors and Officers of Val Moritz Village, Inc. in Connection With Assessment Power. The Association may indemnify any officer and/or Director of Val Moritz Village, Inc., a Colorado Corporation, as necessary in order to obtain an assignment of the Assessment Power from such

corporation to the Association. In the event that any individual shall guaranty the Association's indemnification of any officer and/or Director of Val Moritz Village, Inc. for such purpose, the Association shall indemnify and hold harmless such individual(s) against any claims, demands, actions, judgments, executions, losses and/or expenses, including reasonable attorney fees, incurred by such individual(s) as a result thereof.

ARTICLE 7.0

Assessments

7.1 Authority to Levy Assessments. Assessments shall be levied by the Board of Directors, as provided in this Article 7.0, to pay for improvements, utilities and maintenance which benefit Member's Lots in the First and/or Second Filings, and to pay for the operating costs of the Association.

7.2 Apportionment. An assessment is defined for purposes of these Bylaws as that sum which must be levied against all the Lots within the First and Second Filings in order to raise the total amount of money for which the levy in question is being made. The assessment for each Lot shall be the same as the assessment for every other Lot.

7.3 Regular Annual Assessments. For each calendar year, the Board of Directors shall estimate the expenses and costs to be incurred by the Association during such year in performing its functions under these Bylaws, including a reasonable provision for contingencies and appropriate replacement reserves, less any expected income and any surplus from the prior year's fund. Uniform and equal assessments sufficient to pay such estimated net expenses and costs shall then be levied against the Lots in the manner provided in 7.2. If the sums collected prove inadequate for any reason, including nonpayment of any individual assessments, the Board may, at any time and from time to time, levy special assessments as provided in 7.4 to make up for such deficiency.

7.4 Special Assessments. In addition to the regular annual assessments, the Board of Directors may establish, levy and collect special assessments against the Lots in the manner provided in 7.2, whenever, in the Board's opinion, such special assessments are necessary to enable the Board to carry out the functions of the Association under these Bylaws.

7.5 Notice and Time For Payment of Assessments. The Board of Directors shall fix the date by which any regular or

special assessment shall be paid to the Association which date may not be sooner than sixty (60) days after Notice of the assessment is given. The Board of Directors may require that regular annual assessments be paid in monthly, quarterly or semi-annual installments, or in such other manner as the Board may deem appropriate. Written notice shall be given to each Owner, at such Owner's last known address as indicated by the Association's records, of the amount of any regular or special assessment and when it is due; provided, however, that the failure of any Owner to be sent or to receive such notice shall not, in any manner, excuse or postpone such Owner's obligation to pay any such assessment when due.

7.6 Interest and Late Charges. If any assessment, whether regular or special, is not paid within thirty (30) days after it is due, such assessment shall bear interest at the rate of eighteen percent (18%) per annum, or at such lower or higher rate as the Board may designate from time to time, compounded annually, from the date it became due; and the Owner owing the assessment may be required to pay a late charge at such uniform rate as the Board may designate from time to time.

7.7 Assessment Lien. The amount of any delinquent assessments, whether regular or special, and any interest thereon and any late charge attributable thereto, plus the costs of collecting the same, including reasonable attorney's fees, shall constitute a lien upon the Lot upon which such assessments were levied. To evidence such lien, the Board of Directors may, but shall not be required to prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner, and a description of the Lot subject to the assessment, and record the same in the office of the Clerk and Recorder of Grand County, Colorado. Such assessment lien shall attach from the due date of the assessment(s) it secures and may be enforced by foreclosure of the defaulting Owner's Lot by the Association in the same manner as is provided by the laws of the State of Colorado for the foreclosure of mortgages on real property. In the event of any such foreclosure, the Owner shall be liable for all amounts secured by the assessment lien, plus the costs and expenses of such proceedings, the costs and expenses for filing the notice of the lien, and all reasonable attorney's fees in connection therewith. By acquiring ownership of any Lot subject to assessment as provided herein, the Owner shall thereby be deemed to have waived and released any and all rights and claims said Owner may have in and to the Lot as a homestead exemption or other exemption, said waiver and release to be applicable only in an action to fore-close the assessment lien.

7.8 Personal Obligation. The amount of any assessments and the interest thereon and all other charges incident thereto shall be a personal and individual debt of the Owner of the Lot against which the assessment was made. No Owner may become exempt from liability for an assessment by abandonment of his Lot. A suit to recover a money judgment for unpaid assessments and all interest and other incidental charges, together with all court costs and reasonable attorney's fees incurred in connection with such suit, shall be maintainable by the Association without foreclosing or waiving the assessment lien. Subject to the provisions of 7.9, a purchaser or other person acquiring ownership of any Lot subject to assessment shall be jointly and severally liable with the prior Owner for all unpaid assessments, interest and incidental charges due with respect to the Lot prior to the time of conveyance, without prejudice to the right of such purchaser or other person to recover from the prior Owner the amount paid for such assessments, interest and incidental charges.

7.9 Mortgagee Protection. Notwithstanding any other provision of this Article 7.0 to the contrary, any assessment lien created under this Article shall be subordinate to the lien of any First Mortgage upon any Lot subject to assessment given or created in good faith and for value. The Mortgagee under any First Mortgage upon any such Lot who comes into or is entitled to possession by virtue of foreclosure of such First Mortgage or by deed or assignment in lieu of foreclosure, or any purchaser at the foreclosure sale held pursuant to such foreclosure, will take the Lot free of any claims for unpaid assessments and charges with respect thereto which are levied and fall due prior to the time such Mortgagee or such purchaser at foreclosure sale is entitled to possession of the Lot; provided, however that such Mortgagee or such purchaser at foreclosure sale shall thereafter be subject to all of the assessments and charges levied, imposed or falling due after he is entitled to possession of such Lot. Upon the request of the Mortgagee under any Mortgage on a Lot subject to assessment as provided herein, the Association shall report to such Mortgagee any default hereunder or any unpaid assessments or other charges due with respect to such property remaining in default or unpaid for longer than sixty (60) days. Any Mortgagee under any Mortgage upon a Lot subject to assessment may pay any unpaid assessments or other charges outstanding with respect to such property; and upon such payment, such Mortgagee shall have a lien on such Lot for the amounts so paid of the same rank and priority as his Mortgage.

ARTICLE 8.0

Obligations of Owners

8.1 General. In general, each Owner shall comply strictly with all provisions of these Bylaws of the Association.

8.2 Assessments. Each Owner of a Lot shall be obligated to pay to the Association the annual and special assessments levied to meet the expenses, costs and financial needs of the Association. A member shall be deemed to be in good standing, within the meaning of these Bylaws, if, and only if, the member shall have fully paid all assessments and other charges made or levied against the Lot(s) owned by such member. If any assessment is not paid when due, the assessment, together with interest, late charges and collection costs, including reasonable attorney's fees, shall be and constitute a lien upon the Lot upon which such membership is based. The Association may enforce payment of assessments and other charges by an action against the Owner personally obligated to pay the same or foreclose the lien against the property assessed, as provided in Article 7.0.

8.3 Suspension of Voting Rights. The right of a member to vote for Directors, or to vote on any other matter submitted to vote of the members, shall be suspended during any period of time in which any annual and/or special assessment, interest, late charges, and/or collection costs are past due and unpaid.

ARTICLE 9.0

Books and Records

9.1 Proof of Ownership. Any person or entity, on becoming an Owner of a Lot, shall furnish to the Secretary a photocopy of the recorded instrument vesting ownership in that person or entity, which instrument shall remain in the files of the Association.

9.2 Registration of Mailing Address. Each Owner of a Lot shall have one and the same registered mailing address to be used by the Association for mailing notices, demands, statements and all other communications. Each Owner shall furnish the Association with a written designation of such Owner's registered address, which shall be signed by each person or entity with an ownership interest in the Lot for which the designation is made.

An Owner's registered address may be changed from time to time by similar designation.

9.3 Loss of Voting Rights. An Owner shall not be deemed to be a member in good standing in the Association unless and until the requirements of 9.1 and 9.2 above are first met; and the Board of Directors may suspend a member's voting rights for any period during which said requirements remain unsatisfied, providing that such suspension shall in no way relieve such Owner of the duties and obligations of membership in the Association, including the payment of assessments.

9.4 Mortgages. Any Mortgagee of any Lot who desires to receive any notice provided for herein or in the Declaration may register its mailing address with the Association. The Association shall, at the request of a Mortgagee of any Lot, report any unpaid assessments or other charges due from the Owner of such Lot.

9.5 Examination of Books and Records. The books, records and papers of the Association shall at all times, during normal business hours, be subject to inspection by any member of the Association and by any Mortgagee under a recorded First Mortgage on a Lot.

ARTICLE 10.0

Amendment

10.1 Amendments. These Bylaws may be amended from time to time by a two-thirds (2/3) vote of the Board of Directors at a duly constituted Board meeting for such purpose; provided, however, no amendment shall serve to shorten the term of office of any Director; and provided further, no amendment shall be contrary to or inconsistent with any provision of the Articles of Incorporation of the Association.

IN WITNESS WHEREOF, the undersigned have executed these Bylaws effective the 1st day of August, 1986.

BOARD OF DIRECTORS

Mary Bresnahan

Phyllis Schaer

Susan Anderson