

BY-LAWS
OF
COMANCHE CREEK RANCH PLANNED COMMUNITY
UNIT OWNERS ASSOCIATION, INC.

The following By-Laws are hereby adopted as the By-Laws of the COMANCHE CREEK RANCH PLANNED COMMUNITY UNIT OWNERS ASSOCIATION, INC., (the "Association"), a nonprofit Colorado corporation, pursuant to Articles of Incorporation filed and accepted by the Colorado Secretary of State on July 26, 1996, and in furtherance of the purposes and powers as set forth in said Articles. In general, the Association is formed to govern the property which has been or may become a part of the Planned Community Declaration of Comanche Creek Ranch Planned Community, as stated in the Declaration recorded December 1, 1995, in Book 532, at Page 55 (Reception No. 1995L336984), with the Clerk and Recorder in Elbert County, Colorado, and all amendments and supplements thereto, including the Amendment to the Planned Community Declaration for Comanche Creek Ranch Planned Community recorded June 10, 1996, in Book 546, at Page 552 and the Amended Planned Community Declaration for Comanche Creek Ranch Planned Community recorded July 30, 2003 in Book 648 at Page 229, with the Clerk and Recorder in Elbert County, Colorado, and all amendments and supplements thereto thereafter. These By-Laws are adopted pursuant to the Declaration as hereinafter defined, the Articles previously filed for the regulation, and management of the Association formed pursuant to the Articles and Declaration.

ARTICLE 1 – DEFINITIONS

1. "Articles" mean the Articles of Incorporation of Comanche Creek Ranch Planned Community Unit Owners Association, Inc., a Colorado nonprofit corporation, dated July 1, 1996, filed with the Colorado Secretary of State July 26, 1996.

2. "Association" means the COMANCHE CREEK RANCH PLANNED COMMUNITY UNIT OWNERS ASSOCIATION, INC., the nonprofit corporation organized pursuant to the Articles formed as required by the Declaration to govern the property therein described through its owners, who, as defined, are members of the Association, and their owner-member elected representatives, specifically, to administer, maintain and repair the common elements of the property subject to this Declaration, administer and enforce the covenants set forth in the Declaration, collect,

disburse, and account for the assessments and charges levied upon Association owners and members, with all purposes and powers incident thereto.

3. "By-Laws" shall mean these By-Laws and any amendments or supplements thereto, being any instruments denominated as By-Laws or otherwise, which are adopted by the Association for its regulation and management.

4. "Board" or "Board of Directors" means the executive board as defined in the Declaration and in the Articles – the "the body designated to act on behalf of the Association."

5. "Common Elements" mean the easements for ingress, egress, utilities, drainage, pedestrian and equestrian uses, as shown on the Plat, leased in perpetuity to the Association; which, however, do not include the ten (10) foot and twenty (20) foot equestrian and trail easements shown on the Plat.

6. "Common Expenses" mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

7. "Declarant" means the Declarant named in the Declaration.

8. "Declaration" means the Planned Community Declaration for Comanche Creek Ranch Planned Community, effective November 28, 1995, recorded December 1, 1995 in Book 532, at Page 55, Reception No. 1995L336984, with the Clerk and Recorder of Elbert County, Colorado, together with any amendments or supplements thereto, including the first amendment recorded June 10, 1996 in Book 546, at Page 552 (Reception No. 1996L343302), with the Clerk and Recorder in Elbert County, Colorado, and any amendments or supplements thereto.

9. "Executive Board" – see "Board" or "Board of Directors" above.

10. "Tract" means a unit or physical portion of the planned community which is designated for separate ownership or occupation under the Declaration, the boundaries of which are described in Exhibit "A" to the Declaration, each tract being 1

of 25 units of 60 acres, more or less, with easements for ingress, egress, utilities, drainage, equestrian, pedestrian use leased in perpetuity to an association in which each tract owner is a member.

11. "Member" means every individual or entity who is a record owner of a fee or undivided fee interest in any portion of the Property, including the Declarant and contract sellers, but not including contract purchasers.

12. "Owner" means the Declarant or other person who owns a unit, but does not include a person having an interest in any unit sold as security for an obligation.

13. "Person" means a natural person, a corporation, a partnership, an association, a trust, or any other entity, or any combination thereof.

14. "Rules and Regulations" mean any instruments, however denominated, which are adopted by the Association for the regulation and management of the Planned Community, including any amendment to those instruments.

ARTICLE II

Membership, Voting, Quorum, Majority of Owners, Proxies,
Undivided Interest in any Tract

Section 1. Membership. The owner of a fee or undivided interest in any tract within the Property shall automatically be a Member of the Association, provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member.

The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all of the Owners as defined in Section 1 of this Article (with the exception of the Declarant). The Declarant may, however, become a Class A member upon termination of his Class B membership, as hereinafter provided. Class A members shall be entitled to one (1) vote for each Tract owned. When more than one (1) person holds an ownership interest or interests in any Tract, all such persons shall be members, and the vote provided for herein shall be exercised as they among themselves determine. In no event shall more than one (1) vote be cast with respect to any Tract.

Class B. The Declarant shall be the sole Class B member. The Class B member shall be entitled to six (6) votes in the Association, which number of votes shall not be diminished by Declarant's sale of tracts to third parties. The Class B membership shall cease and terminate upon the happening of either of the following events, whichever first occurs:

(a) When the Class B member is no longer the owner of more than one(1) Tract; or

(b) On the 31st day of December, 2000; or

(c) At such time as Declarant voluntarily relinquishes its Class B membership rights.

From and after the happening of any of these events, whichever first occurs, the Class B member shall be deemed to be a Class A member entitled to one (1) vote for the Tract in which such member holds an ownership interest as required for membership under Section 1 of this Article II.

Section 2. Voting. Owners shall be entitled to vote on all matters submitted to a vote of the membership of the Association. The allocation of votes and method of exercise shall be as set forth in the Declaration and the Articles. Cumulative voting in the election of members of the Board shall not be permitted. Voting by mail shall be allowed in the manner provided in the Colorado Nonprofit Corporation Act. Votes by mail shall have the same effect as votes by written proxy.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy, of Members holding one-third (1/3) of the votes entitled to be cast on the matter to be voted upon shall constitute a quorum at a meeting of the Members.

Section 4. Majority of Owners. Unless otherwise required by law, the Declaration, the Articles, or these By-Laws, the affirmative vote of a simple majority of those present at a meeting where a quorum is in attendance, whether in person or by proxy, shall be necessary to transact business, take actions, and adopt decisions binding on all Owners.

Section 5. Proxies. Votes may be cast in person, by mail or by written proxies. Proxies must be filed with the Secretary before or at the appointed time of each meeting. All proxies must be in writing and may be either general or for a particular meeting. A proxy holder need not be an Owner. (amended 5/4/2003)

ARTICLE III

Meetings

Section 1. Place of Meeting. Annual and special meetings of the Members shall be held at such suitable place or places within the State of Colorado, which are convenient for the Owners, as determined by the Board.

Section 2. Annual Meetings. The annual meetings of the Association shall be held each year on such date as shall be selected by the Board, provided that such meeting shall occur no later than five (5) months after the end of the Association's fiscal year. At such meetings, the Members shall transact such business of the Association as shall properly come before the meeting, including election of members of the Board. The first annual meeting shall be called by the initial Board within one (1) year after the first Lot is conveyed by Declarant to an Owner other than Declarant.

Section 3. Special Meetings. The President or the Board may call a special meeting of the Members at any time, and it shall be the duty of the President to call a special meeting within thirty (30) days after the receipt of written request(s) therefor signed by Owners representing at least thirty-three percent (33%) of the total votes of the Class A members. No business shall be transacted at a special meeting, except as stated in the notice, without the consent of the Owners representing at least sixty-six percent (66%) of the total votes of the Association.

Section 4. Notice of Meetings; Waiver of Notice. Written or printed notice of each annual or special meeting of the Members shall be given to each Owner of record, which notice shall state the day, place, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called. A written waiver of notice signed before, at, or after any meeting of the Members shall be the equivalent to giving notice. The certificate of the Secretary that notice was properly given as provided in these By-Laws shall be prima facie evidence thereof. Notices shall be given at least fifteen (15), but not more than fifty (50), days in advance of any meeting. Notices shall be deemed given and received upon deposit thereof in regular United States mail, postage prepaid, addressed to the Members at their addresses appearing in the membership records of the Association.

Section 5. Adjourned Meetings. If any meeting of Members cannot be convened because a quorum has not attended, or if the business of the meeting cannot be concluded, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time without further notice, until a quorum is present or the business of the meeting is concluded, for a period not to exceed ten (10) days for any one adjournment. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which could have been transacted at the meeting as to which notice was originally given.

Section 6. Order of Business. The order of business at all meetings of the Members shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting or waiver of notice.

- (c) ~~Reading and~~ Approval of minutes. (Changed 4/30/06)
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of directors (annual meetings only).
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

Section 7. Action without Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, if a consent in writing setting forth the action so taken shall be signed by all of the Members of the Association entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Members and may be stated as such in any articles or documents filed with the Secretary of State of Colorado under the Colorado Nonprofit Corporation Act.

ARTICLE IV

Board of Directors

Section 1. Number and Qualification. The affairs of the Association shall be managed and governed by a Board composed of an odd number of not less than three (3) nor more than nine (9) directors. The number of directors may be increased or decreased by amendment to these By-Laws; provided, however, that the number of

directors shall not be reduced to less than three (3) nor increased to more than nine (9). Until so increased or decreased, the Association shall have three (3) directors. No decrease in the number of directors shall have the effect of shortening the term of any incumbent. The initial Board of Directors shall be as named in the Articles of Incorporation and shall also compromise the Architectural Control Committee required by the Declaration.

Section 2. Powers and Duties. The Board of Directors may act, in all instances, on behalf of the Association, except as provided in the Declaration, these By-Laws, or the Act. The Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association, which shall include the powers and duties set forth in C.R.S. 38-33.3-302(1) and in the Declaration and shall specifically include:

(a) Owner Relations. Maintain businesslike relations with Owners or occupants.

(b) Interpretation. The powers herein granted or necessarily implied shall be construed to favor the broadest discretion of the Board of Directors, except that the Board shall have the duty to exercise all of such powers as required by law.

(c) Fiscal Responsibility. The Board of Directors shall be governed by the following with respect to its fiscal duties and responsibilities:

(1) Bank Accounts. The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by

checks signed by such persons as are authorized by the Board of Directors, provided that a management agreement may include among its provisions authority for the manager to sign checks on behalf of the Association for payment of the obligations of the Association.

(2) Interest and Counsel Fees. The Board of Directors, at its option, shall have the right, in connection with the collection of this or any other charge, to impose an interest charge of 18% per annum, if such payment is made after a date certain stated in such notice. In the event that the Board shall effectuate collection of said charges by report to counsel, the Board may add to the aforesaid charge or charges a sum or sums of 20% of the gross amount due as counsel fees, in addition to such costs allowable by law.

(3) Budget. The Board of Directors shall prepare a proposed annual budget for the upcoming fiscal year at least two (2) months prior to the end of the current fiscal year. Consistent with the Declaration, this budget must be mailed to all Tract Owners not less than thirty (30) nor more than sixty (60) days in advance of the meeting establishing that budget (normally the Annual Meeting). Unless a majority of the Owners present or represented by proxy at the meeting vote to reject the budget, the proposed budget is deemed ratified whether or not a majority is present. In the event the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Board of Directors. (amended 5/4/2003)

(4) Disbursement. The Board of Directors shall take and hold the funds as collected and shall disburse the same for the purposes and in the manner set forth herein and as required by law.

(5) Reserves. The Board of Directors shall not be obligated to expend all of the revenues collected in any accounting period, but may maintain a reasonable reserve for, among other things, emergencies, contingencies of bad weather or uncollected accounts. Said reserve fund or funds shall, however, be kept in interest bearing securities, either short or long term, or in an insured, interest bearing savings account. The foregoing shall not be construed to mean that the Board shall not be permitted to keep additional cash on hand in a checking or petty cash account for the necessary discharge of its function.

(6) Homeowners Review. The board shall submit its books, records, and memoranda for a homeowners review, (at request of majority of homeowners) by a committee of two members not associated with the board who shall review the same and render a report thereon in writing to the Board and, in summary form, to the members and such other persons, firms, or corporations as may be entitled to same. The homeowners review shall require the supervision of an

Accountant unless an Accountant has been hired by the association to manage the books and provide accounting services which include a review of accounts during the review period in question.

In the event, a homeowners committee cannot be formed a review will be performed by a disinterested Accountant. Such review shall be performed randomly throughout a three-year period of time. Such review shall be a common expense, unless otherwise provided in the Declaration.(as amended 24 April 2005)

(7) Accounts. The receipts and expenditures of the Association shall be credited and charged to accounts under the following classifications, as shall be appropriate, all of which expenditures shall be Common Expenses.

(i) Current Expenses. Current expenses, which shall include all receipts and expenditures within the year for which the budget is made, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements or to operations. The balance of this fund, at the end of each year, shall be applied to reduce the assessments for current expenses for the succeeding year, or may be distributed to the membership as the Directors shall determine;

(ii) Deferred Maintenance Reserve. Reserve for deferred maintenance, which shall include funds for maintenance items that occur less frequently than annually;

(iii) Replacement Reserve. Reserve for replacement, which shall include funds for repair or replacement required because of damage, depreciation, or obsolescence;

(iv) Capital Expenditures. Capital expenditures, which shall include the funds to be used for capital expenditures for additional improvement or additional personal property that will be part of the common elements.

(8) Notwithstanding the foregoing, the Developer will not be required to contribute money to the Association in the form of annual dues until 75% of the Parcels are sold. Until such time, however, the Developer shall be solely responsible for road maintenance of roads which have not been transferred to Elbert County.

(d) Architectural Control Committee. An Architectural Control Committee of three (3) members shall be established, which shall be the three members of the Board of Directors, unless said Board appoints a separate and other individuals, who must be Owners of the Association, following the cessation of Class B ownership and control of Tracts within the Planned Community.

(e) Managing Agent. The Board may employ a Managing Agent for the Association to perform such duties and services as it shall authorize. Such Managing Agent may be either an individual or a professional management company, whichever the Board determines to be able to best serve the interests of the Association. The Board may delegate to the Managing Agent all or any of the powers and duties granted to the Board, but, notwithstanding such delegation, the Board shall not be relieved of any responsibility under the Declaration. A Managing Agent under contract with the Association may be required to post a fidelity bond in such amount as determined by the Board as a condition of such management contract, if such contract requires the handling of funds of the Association.

(f) Registered Agent and Office. The Association shall maintain a registered office and a registered agent in the State of Colorado, as required by the Colorado Nonprofit Corporation Act. Such registered office or registered agent may be changed from time to time, as provided in the Colorado Nonprofit Corporation Act.

Section 3. Standard of Care. In the performance of their duties, the officers and members of the Board of Directors are required to exercise (1) if appointed by the Declarant, the care required of fiduciaries of the Owners and (2) if elected by the Owners, ordinary and reasonable care.

Section 4. Election and Term of Office. Except as provided in Section 1 of this Article IV, members of the Board of Directors shall be elected by a majority of the

Owners voting at the annual meetings of the Members. The term of each director's service shall extend until his successor is duly elected and qualified or until he is removed in the manner hereinafter provided. At the first annual meeting of the Members, one (1) member of the Board shall be elected for a term of one (1) year, one (1) member of the Board shall be elected for a term of two (2) years, with the remaining director elected for a term of three (3) years. Upon the expiration of the initial terms, directors elected for the first three Director positions shall thereafter be elected for terms of three (3) years each.

In the event the number of Directors is increased to five (5), the fourth Director shall be elected for an initial term of one (1) year and the fifth Director shall be elected for an initial term of two (2) years. Thereafter, the Directors elected for the fourth and fifth Director positions shall be elected for two (2) year terms.

In the event the number of Directors is increased to seven (7), the sixth Director shall be elected for an initial term of one (1) year, and the seventh Director shall be elected for an initial term of two (2) years. Thereafter, the Directors elected for the sixth and seventh Director positions shall be elected for two (2) year terms.

In the event the number of Directors is increased to nine (9), the eighth Director shall be elected for an initial term of one (1) year, and the ninth Director shall be elected for an initial term of two (2) years. Thereafter, the Directors elected for the eighth and ninth Director positions shall be elected for two (2) year terms.

Section 5. Removal of Directors. The Owners, by a two-thirds (2/3) vote of all persons present and entitled to vote, at any meeting of the Owners at which a quorum is present, may remove any Director of Board, other than a Director appointed by the Declarant, with or without cause.

Section 6. Vacancies. Except as provided in Section 1 of this Article IV, vacancies in the Board caused by any reason other than an increase in the number of directors or the removal of directors by a vote of the Members shall be filled by a vote of the remaining directors, even though they may constitute less than a quorum. Each director so elected shall serve for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors may be

filled by a vote of the majority of the Board for a term of office continuing only until the next election of directors by the Members.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 7. Regular Meetings. The first meeting of the Board following the first annual meeting of the Owners shall be held within ten (10) days thereafter and no notice shall be necessary. Thereafter, 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 members of the Board of Directors, but at least two (2) meetings shall be held each year. Notice of regular meetings of the Board shall be given to each member of the Board by mail or telegram at least three (3) business days prior to the day of the meeting. Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of notice. Actual attendance by members of the Board of Directors at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three (3) business days' notice to each director. The notice shall be hand delivered or mailed and shall state the time, place and purpose of the meeting.

Section 9. Location of Meetings. All meetings of the Board of Directors shall be held at such time and place as shall be fixed by the Board.

Section 10. Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 11. Quorum of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is

present shall constitute a decision of the Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 12. Compensation. No member of the Board of Directors shall receive any compensation for acting as Director. However, Directors may receive reimbursement for necessary expenses actually incurred in connection with the Director's duties. Directors acting as employees may be compensated for those duties.

Section 13. Consent to Corporate Action. If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Board of Directors.

Section 14. Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board. The Director's vote shall be counted and the presence noted as if that Director were present in person on that particular matter.

Section 15. Non-Waiver. All the rights, duties, and privileges of the Board of Directors shall be deemed to be continuing and shall not be exhausted by a single act or series of acts. To the same extent, the failure to use or employ any remedy or right hereunder or hereafter granted shall not preclude its exercise in the future nor shall any custom bind the Board.

ARTICLE V

Officers

Section 1. Designation. The officers of the Association shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be elected annually. In addition, the Board may elect or appoint an Assistant Secretary, an Assistant Treasurer, and such other officers and agents as the Board may deem appropriate. Any two or more offices may be held by the same person, except the offices of the President and Secretary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board at the annual meeting of the Board and shall hold office at the pleasure of the Board.

Section 3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, 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.

Section 4. President. The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board. 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 appoint, from time to time, committees from among the Members as may be deemed 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. The President must be elected by and from the Board.

Section 5. Vice President. The Vice President shall have all the powers and authority and shall perform all of the functions and duties of the President in the absence of the President or in the event of the President's inability, for any reason, to exercised such powers and functions or to perform such duties. If neither the President nor the Vice president is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such duties as are imposed upon him by the President or the Board. The Vice President must be elected by and from the Board.

Section 6. Secretary. The Secretary shall keep the minutes of all the meetings of the Board and of all meetings of the Association. The Secretary shall have charge of such books and papers as the Board may direct and shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall comply 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 the number or other appropriate designation of that portion of the Property 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 the regular business hours. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities, shall keep the financial records and books of account of the Association, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements of money 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.

ARTICLE VI (deleted 5/4/2003)

ARTICLE VII

Mortgages and Leases

Section 1. Notice to Association. Every Owner who leases, transfers, or mortgages any interest in any portion of the Property shall notify the Association by giving the Property name and address of his mortgagee, purchaser, transferee, or tenant to the Secretary of the Association. The Association shall maintain such information in a book entitled Mortgages and Leases.

Section 2. Notice of Default. Upon the written request by a Mortgagee, the Association shall report to such mortgagee any assessment which remains unpaid for over sixty (60) days or any other default of an Owner which remains uncured for over sixty (60) days.

ARTICLE VIII

Remedies for Violations

Section 1. Enforcement. The Association shall have the power, at its sole option, to enforce the terms of this instrument, the Articles, the Declaration, or any rule or regulation promulgated pursuant thereto, by any or all of the following: self-help; by sending notice to the offending party to cause certain things to be done or undone; by restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; by taking any other action before any court, summary or otherwise, as may be provided by law; by complaint to the duly constituted authorities.

Section 2. Abatement and Enjoinment of Violations by Owners. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Declaration shall give the Board of directors the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these By-Laws:

(a) To enter upon the Residential Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Residential Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Declaration. The Board of directors shall not be deemed liable for trespass by this action; or

(b) To enjoin, abate or remedy, by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 3. Fine for Violation. By resolution, following notice and hearing, the Board of Directors may levy a fine of up to \$25.00 per day for each day that a violation of the Declaration or Rules and Regulations persists after notice and hearing.

Section 4. Assessments. Remedies for late payment or default of payment of Assessments shall be as set forth herein, consistent with the Declaration and the Articles, to include late payment penalties adopted by the Association, costs and expenses, including but not limited to court costs and attorney fees in connection with the collection of assessments.

ARTICLE IX

Books and Records

Section 1. Records and Audits. The Association shall maintain financial records. The financial records shall be maintained and audited in accordance with Article IV above. The cost of the audit shall be a Common Expense, unless otherwise provided in the Declaration.

Section 2. Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Owner, any holder of a Security Interest in a Residential Unit or its insurer or guarantor, or by any of their duly authorized agents or attorneys, at the expense of the person examining the records, during normal business hours and after reasonable notice.

Section 3. Records. The Association shall keep the following records:

(a) An account for each Residential Unit, which shall designate the name and address of each Owner, the name and address of each mortgagee who has

given notice to the Association that it holds a mortgage on the Residential Unit, the amount of each Common Expense assessment, the dates on which each assessment comes due, the amounts paid on the account and the balance due;

(b) An account for each Owner showing any other fees payable by the Owner;

(c) A record of any capital expenditures in excess of \$3,000.00 approved by the Board of Directors for the current and next two (2) succeeding fiscal years;

(d) A record of the amount and an accurate account of the current balance of any reserves for capital expenditures, replacement and emergency repairs, together with the amount of those portions of reserves designated by the Association for a specific project;

(e) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;

(f) The current operating budget;

(g) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;

(h) A record of insurance coverage provided for the benefit of Owners and the Association;

(i) A record of any alterations or improvements to Residential Units or Limited Common Elements which violate any provisions of the Declarations of which the Board of Directors has knowledge;

(j) A record of any violations, with respect to any portion of the Common Interest Community, of health, safety, fire or building codes or laws, ordinances, or regulations of which the Board of directors has knowledge;

(k) A record of the actual cost, irrespective of discounts and allowances of the maintenance of the Common Elements, if any;

(l) Balance sheets and other records required by local corporate law;

(m) Tax returns for state and federal income taxation;

(n) Minutes of proceedings of incorporators, Owners, Directors, committees of Directors and waivers of notice; and

(o) A copy of the most current versions of the Declaration, By-Laws, Rules and Regulations, and resolutions of the Board of Directors, along with their exhibits and schedules.

ARTICLE X

Miscellaneous

Section 1. Proof of Ownership. Except for those Owners who initially purchase a portion of the Property from Declarant, every person becoming an Owner shall immediately furnish to the Board a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association, and the Association shall be entitled to rely upon such instrument to determine ownership and voting rights within the Property. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

Section 2. Character of Association. the Association is not organized for profit. No Member, member of the Board, officer, or person from whom the Association may receive any property or funds shall 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, be distributed to, or inure to the benefit of any of the directors, officers, committee members, or Members, except upon a dissolution of the Association; always provided, however, (i) that reasonable compensation may be paid to any Member, director, committee member, 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 (ii) that any Member, director, committee member, 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.

Section 3. Conveyances and Encumbrances. Association property may be purchased, conveyed, or encumbered for security of monies borrowed by authority of the Association or the Board. Conveyances or encumbrances shall be by instrument executed by the President or Vice President, and by the Secretary, the Treasurer, an Assistant Secretary or an Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

Section 4. Inspection of Records. Any Owner or mortgagee may inspect the records of receipts and expenditures of the Association at convenient weekday business hours and upon ten (10) days' notice to the Board or Managing Agent, if any. Upon payment of a reasonable fee, not to exceed Fifty and No/100ths Dollars (\$50.00), any Owner shall be furnished with a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, or an estoppel certificate.

Section 5. Notices. All notices for the Association or the Board of Directors shall be delivered to the office of the Association, or to such other address as the Board may designate by written notice to all Owners and to all holders of Security

Interests in the Residential Units who have notified the Association that they hold a Security Interest in a Residential Unit. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. All notices to holders of Security Interests in the Residential Units shall be sent by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

Section 6. Fiscal Year. The Board of Directors shall establish the fiscal year of the Association, or if no fiscal year is established by the Board, the fiscal year shall be the calendar year.

Section 7. Waiver. No restriction, condition, obligation or provision contained these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8. Office. The principal office of the Association shall be on the Property or at such other place as the Board may, from time to time, designate.

Section 9. Title to Parcels. Title to Parcels may be taken in the name of an individual or in the name of two or more persons as tenants in common or as joint tenants with right of survivorship, or in the name of a corporation or partnership, or in the name of fiduciary. Any Officer of a corporate Owner shall be eligible to serve on the Board.

Section 10. Additions, Alterations or Improvements by the Board. Whenever, in the judgment of the Board of Directors, Common Elements, if any, shall require additions, alterations or improvements costing in excess of \$1,000.00, said alterations and improvements shall not be made, unless they have been approved by a majority of the members present and voting at a meeting at which a quorum is present. When said approval has been obtained, all members shall be assessed for the cost thereof above and beyond that allocated from the reserve fund as a common charge.

Section 11. Right of Access. Each Owner shall grant a right of access to his Parcel to any person authorized by the Board of Directors for the purpose of inspecting for and correcting any condition originating on his Parcel and threatening another Parcel or any common element, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate, whether the Owner is present at the time or not.

Section 12. Common Expenses Payable by the Declarant. Until the sale of the first parcel, the Declarant shall be solely responsible for all Common Expenses.

Section 13. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect, in any manner, the enforceability or affect the balance of these By-Laws.

Section 14. Amendments. These By-Laws, or any one of them may be altered or repealed, or new By-Laws may be made, at any meeting of the Association duly constituted for such purpose, a quorum being present, by an affirmative vote of 75% of the votes entitled to be cast in person or by proxy, except that the first annual meeting may not be advanced and the first Board of Directors (including replacements in case of vacancies) may not be removed by reason of any such amendment or repeal.

Section 15. Exculpability of Board and Officers. Neither the Board, as a body, nor any member thereof nor any Officer of the Association shall be personally liable to any Owner in any respect for any action or lack of action arising out of the execution of his office. Each Owner shall be bound by the good faith actions of the Board and Officers of the Association in the execution of the duties of said Directors and Officers. Unless acting in bad faith, no Director or Officer of the Association shall be liable to any Owner or other person for misfeasance or malfeasance in office.

Section 16. Conflict. Anything to the contrary herein notwithstanding, if any provision of this instrument is in conflict with or contradiction of the requirements of any law, then the requirements of said law shall be deemed controlling.

ARTICLE XI

Noncompliance

Section 1. Suspension of Privileges. In the event of an alleged violation of the Declaration, the Articles, these By-Laws, or the Rules and Regulations of the Association, and after written notice of such alleged violation is given to the Owner alleged to be in default ("Respondent"), in the manner herein provided, the Board shall have the right, after affording the Respondent an opportunity to be heard upon such violation and upon an affirmative vote of a majority of all directors, to take any one or more of the following actions: (i) to levy a penalty assessment as provided in the Declaration; (ii) to suspend such Owner's voting privileges as an Owner, as further provided in the Declaration; or (iii) to record a notice of noncompliance against that portion of the Property owned by or occupied by the Respondent in the real property records of the County of Elbert, Colorado. Any such suspension shall be for a period of not more than sixty (60) days from any noncontinuing infraction. If there is a continuing infraction (including nonpayment of any assessment after it becomes delinquent), suspension may be imposed for so long as the violation continues. The failure of the Board to enforce the provisions of the Declaration, the Articles, these By-Laws, the Rules and Regulations, or the decisions or resolutions of the Association or the Board shall not constitute a waiver of the right to enforce them thereafter. The remedies set forth above and otherwise provided by these By-Laws shall be cumulative

and none shall be exclusive. However, any individual Owner must exhaust all available internal remedies of the Association prescribed by the By-Laws or by the

Rules and Regulations of the Association before that Owner may resort to a court of law for relief with respect to any alleged violation of the Declaration, the Articles, these By-Laws, the Rules and Regulations, or the decisions or resolutions of the Association or the Board, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Owner where the complaint alleges nonpayment of assessment.

Section 2. Notices. Any notices, demand, or other communications required or permitted to be given by any provision of this Article XI shall be given in writing, delivered personally or sent by U.S. Mail, postage prepaid, addressed to the person for whom intended, at the address then appearing in the records of the Association or such person. Notice shall be considered given when personally delivered, or if mailed, shall be considered received on the earlier of the day on which such notice is actually received by the party to whom it is addressed or on the third day after such notice is mailed in the regular U.S. Mail, postage prepaid.

ADOPTED at the reorganizational meeting of the Comanche Creek Planned Community Unit Owners Association, Inc. on August 1, 1996.

READOPTED at the Board of Directors of the Comanche Creek Ranch Planned Community Unit Owners Association, Inc. meeting on August 13, 2002 on recommendation of counsel.

AMENDED at the Annual Meeting of the Comanche Creek Ranch Planned Community Unit Owners Association, Inc. meeting on May 4, 2003.

AMENDED at the Annual Meeting of the Comanche Creek Ranch Planned Community Unit Owners Association, Inc. meeting on April 24, 2005.