

BYLAWS
OF
THOUSAND PEAKS RANCH ASSOCIATION

ARTICLE I

Offices

Section 1. Principal Offices. The principal offices of the Association shall be in the County of El Paso, State of Colorado.

Section 2. Other Offices. The Association may establish such office or offices at such other places as the Board of Directors may from time to time designate.

ARTICLE II

Definitions

Section 1. "Declaration" means the Declaration of Covenants, Conditions and Restrictions for THOUSAND PEAKS RANCH recorded in the office of the Park County Recorder.

Section 2. All definitions contained in the Declaration are hereby adopted herein and incorporated herein by this reference as though set forth in full in the document.

ARTICLE III

Eligibility for Membership

Membership in the Association, except for membership of the incorporators, Developer, and the first Board of Directors, shall be limited to record owners of equitable title (or of legal title if equitable title has merged) of Ranches contained within the premises described in the Declaration.

One membership in the Association shall be issued to the record owner of equitable title (or legal title if equitable title has merged) of each Ranch. The record owners collectively shall be called the members of the Association. In the event any such Ranch is owned by two or more persons, whether as community property, by joint tenancy, tenancy in common or otherwise, the membership as to such Ranch shall be issued in the names of all the owners, and they shall designate to the Association in writing, at the time of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for the outstanding membership assigned to new record owners of equitable title (or legal title if equitable title has merged).

ARTICLE IV

Members of the Association

Section 1. Annual Meetings. The first annual meeting of the members of the Association shall be held within one (1) year from the date of incorporation. The exact date, time and place of the first annual meeting shall be as established by the Board of Directors. Thereafter, the annual meetings of the members of the Association shall be held each year on the anniversary date of the first annual meeting or at such other time as the members of the Association may approve by a majority vote of those members present in person or by proxy at a regular or special meeting held for that purpose. At such meeting, there shall be elected a Board of Directors in accordance with the requirements of Article V or these Bylaws. The members of the Association may also transact such other business of the Association as may properly come before them.

Section 2. Notice of Annual Meetings. The president or Secretary shall give or cause to be given notice of the time, place and date of the annual meeting by mailing or hand delivering such notice at least fifteen (15) days prior to such meeting to each member of the Association at the respective address of said members as they appear on the records of the Association.

Section 3. Special Meetings. Special meetings of the members of the Association for any purpose or purposes other than those regulated by the statute may be called for by the President as directed by resolution of the Board of Directors, or upon a petition signed by one fourth (1/4) of the members, and such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting, except as stated in the notice unless by consent of three-fourths (3/4) of the members present, either in person or by proxy.

Section 4. Notice of Special Meetings. The President or Secretary shall give or cause to be given notice of the time, place and purpose of holding each special meeting by mailing or hand delivering such notice at least fifteen (15) days prior to such meeting to each member of the Association at the respective address of said members as they appear on the records of the Association.

Section 5. Quorum. The presence at a meeting, either in person or by proxy, of members entitled to cast at least ten percent (10%) of the votes of the entire membership shall constitute a quorum for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, or by these Bylaws, and in the event, representation of the number so required shall constitute a quorum.

Section 6. Voting Rights. The Association shall have two classes of voting membership as follows:

Class A. Class A members shall be all owners, with the exception of the Declarant, and shall be entitled to one vote for each Ranch owned. When more than one person holds an interest in any Ranch, all such persons shall be members. The vote for such Ranch shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Ranch.

Class B. Class B member(s) shall be the Declarant and shall be entitled to four (4) votes of each ranch own or contemplated to be created and annexed to the Association pursuant to the Declaration. The Class B membership shall cease and be converted to Class A membership when the number of votes of each class are equal.

Section 7. Adjournment of Meetings. If the number of members necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of meeting, the chairman of the meeting, or a majority of interest of the members present in person or by proxy, may adjourn the meeting from time to time without notice other than an announcement at the meeting, until the necessary number of members shall be in attendance. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

Section 8. Proxies. A member may appoint only his or her spouse or any joint owner of his ranch or any other member of the Association, or Developer as a proxy. Any proxy must be filed with the Secretary before the appointed time of each meeting or upon this calling of the meeting to order. Every proxy shall be revocable and shall automatically cease on conveyance by the member of his Ranch.

ARTICLE V

Directors

Section 1. Number and Qualification. The business, property and affairs of the Association shall be managed, controlled and conducted by a Board of Directors consisting of three members. The number of directors may be changed from time to time by the members of the Association, but shall always consist of an odd number of directors of not less than three (3) nor more than nine (9).

Section 2. Power and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done

by the members. The powers of the Board of Directors shall include, but not limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these bylaws and the Articles of Incorporation, and in the Declaration and shall also include power to promulgate such rules and regulations pertaining to sets rights and duties as may be deemed proper and which are consistent with the foregoing, and shall further include the right to suspend the voting rights of a member for any period during which any assessment against the member lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations. The Board of Directors may delegate such duties as appear in the best interest of the Association and to the extent permitted by law.

Section 3. Term of Office. The term of the Directors named in the Articles of Incorporation shall be until the first annual membership meeting or until their successors are duly chosen and qualify. Developer should have the right to and power to fill any vacancy occurring on the Board by reason of resignation, discharge, abandonment, or any other reason of such named Directors. Their successors shall be elected at the first annual meeting of the members of the Association. The Board of Directors shall have the right to fill by appointment any vacancy occurring on the Board of Directors. The number of Directors may be altered from time to time by the action of a majority of the members of the Association present and voting in person or by proxy at any regular or special meeting called for such purpose. In the event of any increase in the number of Directors in advance of the annual meeting, each additional director shall be elected by then Board of Directors and hold office until his successor is elected and shall qualify.

Section 4. Nomination. Nomination for election to the board of directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations shall be made from among members.

Section 5. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the recorded Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting shall be mandatory.

Section 6. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled by vote of the majority of the remaining directors even though they may consist of less than a quorum and each person so elected shall be a director until his successor is elected by the members of the Association at the next annual meeting.

Section 7. Removal of Directors. At any regular or special meeting of the members of the Association, any one or more of the directors may be removed with or without cause at any time by the affirmative vote of a majority of the entire membership of record and a successor may then be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

Section 8. Compensation. No compensation shall be paid to directors for their services as directors but a director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties. No remuneration shall be paid to a director for services performed by him for the Association in any other capacity.

Section 9. Organization Meeting. The first meeting of the newly elected Board of Directors shall be held within ten (10) days of the election at such time and place as shall be fixed at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, providing a majority of the whole board shall be present.

Section 10. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be giving to each director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for the meeting.

Section 11. Special Meeting. 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 (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least fifty percent (50%) of the directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing waive notice of such meeting and such waiver shall be held deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 13. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

Section 14. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

Section 15. 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 will have the same effect as though taken at the meeting of the directors.

Section 16. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate for Fidelity Bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI

Officers

Section 1. Designation. The principle officers of the Association shall be a President, a Vice President, a Secretary, a Treasurer, all of whom shall be elected by and from the Board of Directors. The directors may appoint an Assistant Secretary and an Assistant Treasurer and such other officers as in their judgment may be necessary. The same person may hold any two offices, except that the president may not at the same time hold the office of Vice President or of Secretary.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the board of directors at the organizational meeting of each new board.

Section 3. Removal of Officers. Upon an affirmative vote of two-thirds (2/3) of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, 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. He shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are normally vested in the office of the President of an association or corporation, including, but not limited to, the power to appoint committees from among the members of the Association from

time to time as he may, in his direction, decide as appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither of the president nor the Vice President is able to act, the Board of Directors shall appoint some other member of the board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

Section 6. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the members of the Association; he shall have the custody of the seal of the Association; he shall have charge of the membership books and such other books and papers as the Board of Directors may direct; and he shall, in general , perform all the duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full an accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and all 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.

Section 8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

Article VII

Powers, Rights and Duties of the Association and Members Thereof

The Association and its members shall have all the powers, rights, duties and obligations set forth in the Articles of Incorporation for the Association, these bylaws, rules and regulations pursuant thereto, and recorded restrictions of the property, and as any of the same may be duly adopted or amended. No transfers of membership in the Association shall be made except as provided herein and no such transfer shall be made upon the books of the Association within ten (10) days next preceding the annual meeting of the members

Article VIII

Corporate Seal

The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the secretary. The corporate seal shall be in circular form, shall have inscribed thereon the name of the Association, the year it was organized and the word "Colorado". If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such officer or other person as the board of directors shall name.

Article 9

Miscellaneous

Section 1. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the reasonable standards of accounting procedure and prudence.

Section 2. Auditing. If required by the Board of Directors, at the close of each fiscal year, the books and records of the Association shall be audited by a Certified Public Accountant, whose report will be prepared and certified. The Association will have available for inspection by its members a statement of the income and disbursements of the Association for each fiscal year.

Section 3. Inspection of the Books. Financial reports, such as are required to be furnished, and the membership records of the Association shall be available at the principle offices of the Association for inspection at reasonable times by any member(s) or interested parties as any first mortgagee.

Section 4. Execution of Corporate Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by any two officers of the Association, or its managing agent as directed or authorized by the Board.

Section 5. Fiscal Year. The fiscal year of the Association shall be determined by the board of directors and shall be subject to change by the Board of Directors should the association's practice subsequently necessitate such change.

Article X

Amendment of the Bylaws

Section 1. Amendment by the Members. These Bylaws may be amended by the affirmative vote of a majority of the members present or represented by proxy at any regular or special meeting, provided that a quorum is prescribed in Section 5, Article IV herein, is present at any such meeting. Amendments may be proposed by the Board of Directors or petition signed by at least fifty-one percent (51%) of the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These bylaws

may not be amended insofar as such amendment would be inconsistent with the recorded restrictions of the property.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

I, understand being the secretary of THOUSAND PEAKS RANCH ASSOCIATION, do hereby certify the foregoing to be the Bylaws of said Association, as adopted at a meeting of the Board of Directors held on the 1st day of December 1985 (signed by T.J. O'Reilly, Thousand Peaks Ranch Association Secretary)