

BY-LAWS
OF
PLATTE RIVER RANCH ESTATES
WATER AND ROAD ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Platte River Ranch Estates Water and Road Association, hereinafter referred to as "the Association". The principal office of the association shall be located at 501 Ash Street, Denver, Colorado 80220, but meetings of members and directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the "Association".

Section 2. "Association" shall mean and refer to Platte River Ranch Estates Water and Road Association, its successors and assigns.

Section 3. "Declaration" shall mean and refer to the Declaration of Protective Covenants for Platte River Ranch Estates recorded in the office of the Clerk and Recorder, of Park County, Colorado, on August 19, 1994, in Book 527 at Page 153.

Section 4. "Declarant" shall mean and refer to Beaver Ridge, Ltd., a Colorado Limited Partnership, its successors and assigns.

Section 5. "Common Area" shall mean all real property owned by the "Association" for the common use and enjoyment of the Owners.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 7. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties,

including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration, and the Articles.

Section 9. "Properties" shall mean and refer to that certain real property described in the Declaration together with any other real property made subject to the provisions of the Declaration.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Classes of Members. As provided in Article IV of the Articles, there shall be only one Class of membership with such rights as set forth in the Articles.

Section 2. Relinquishment of Control of Association. The Declarant shall relinquish its exclusive rights and control to the Association when seventy five (75%) of all the Lots in the Subdivision have been sold and conveyed.

ARTICLE IV

MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held no later than three (3) years from the date of the issuance of the Certificate of Incorporation of the "Association", and each subsequent regular annual meeting of the Members shall be held on an annual basis at a time specified by a vote of the Members, and at the hour, as designated by the Board of Directors ("Board") in a written notice thereof. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

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

the Board may establish a record date for determination of membership, in accordance with the laws of the State of Colorado.

Section 4. Quorum. The presence at the meeting of Members entitled to vote, or of Members holding proxies and entitled to vote, twenty percent (20%) of membership shall constitute a quorum for any action, except as otherwise provided in the Articles, the Declaration, or these By-laws. If however, such quorum is not present or represented at any meeting, the Members entitled to vote thereat shall have to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary at least twenty-four (24) hours prior to the commencement of the meeting of Members at which such proxy is sought to be utilized. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot, and shall also cease upon attendance in person by the Member who previously gave a proxy. No proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy.

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

ARTICLE V

BOARD OF DIRECTORS: ELECTION: TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of three (3) directors, who need not be Members of the Association.

Section 2. Term of Office. At the first annual meeting the Members shall elect one director for a term of one (1) year, one director for a term of two (2) years and one director for a term of three (3) years; and at annual meetings thereafter the members shall elect directors for terms of three (3) years each.

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

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

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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

Section 7. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 8. Election. Election to the Board shall be by 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 Articles. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

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

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two (2) directors, after not less than seventy-two (72) hours notice to each director.

Section 3. Quorum, Majority Vote. The presence, in person or by proxy, at the meeting of the Board, of two Directors shall constitute a quorum, and the vote of a majority of those present and entitled to vote shall be an act of the Board. If, however, such quorum

shall not be present or represented at any meeting, the Directors entitled to vote thereat shall have to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

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

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of common areas and facilities owned by the Association, and the personal conduct of the Members, their tenants and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and the right to use of any common recreational facilities, and to suspend utility services such as water use of private roads and other services provided through the Association, of a Member during any period in which such Member shall be in default in the payment of any assessment, water tap fee, or utility user charges levied by the Association. Such rights may also be suspended after notice and hearing before the Board, for a period not to exceed thirty (30) days, for infraction of published rules and regulations provided the denial of any service provided by the Association does not present an immediate danger in the member or his property;
- (c) exercise by the Association all powers, duties and authority vested in or delegated to the Association by these By-Laws, the Articles, the Declaration, or by law, and not reserved to the membership by other provisions of said documents or the law;
- (d) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and
- (e) employ a manager, independent contractors, or such other employees as it deems necessary, and to prescribe their duties. This shall include, but not be limited to the maintenance of the common area, the facilities in the common area, and the public roads prior to the time they are accepted by the county.

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

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

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

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

(1) fix the amount of the assessments; and prepare a roster of the Lots and the assessments applicable thereto;

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

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

(d) issue, or cause an appropriate officer to issue, upon demand by any Owner, first mortgagee of a Lot, prospective Owner or prospective first mortgagee, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained;

(h) cause the payment of taxes on the Common Area;

(i) regulate and enforce the terms and conditions of the water augmentation plan as set forth in the certain decree issued by the District court in and for Water Division No. 1, State of Colorado, Case No. 93CW071, In the Matter concerning the Application of Water Rights of Beaver Ridge, Ltd., in Park County, entitled "Findings of Fact, Conclusions of Law, and Ruling of the Referee";

- (j) assume ownership and control of, and maintain, Common Areas and equipment within the Properties including, but not limited to, common drinking water sources;
- (k) administer and enforce the Declaration;
- (l) provide surveillance over the Properties to prevent theft or vandalism;
- (m) repaint or replace signs;
- (n) provide surveillance over adjacent development and new county or state laws in order to maintain property owners' rights and uphold values; and
- (o) appoint members of the Architectural Control Committee described in the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumerating of Offices. The officers of the Association shall be a president and vice president, who shall at all times be Members of the Board, a Secretary, and a treasurer, and such other officers as the Board may, from time to time, by resolution appoint.

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

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

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Removal and Resignation. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

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

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

President

(a) The president shall preside at all meetings of the Board and of the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall co-sign all checks in amounts greater than \$100.00 and promissory notes; and shall be the chief executive officer of the Association having general and active control of the affairs of the Association and general supervision of its officers, agents, and employees, subject to any management agreement authorized by the Board.

Vice President

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

Secretary

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

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of

income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. He shall perform all other duties incident to the office of treasurer, and upon request of the Board shall post a bond satisfactory to the Board conditioned upon faithful performance of his duties. The cost of such bond shall be paid by the Association.

ARTICLE IX

ARCHITECTURAL CONTROL

Section 1. Creation of Architectural Control Committee. As dictated by the Declaration, the Association, at its sole discretion, may create an Architectural Control Committee. If so created, it shall be governed by the provisions of Article IX of these ByLaws.

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

Section 3. Review of Plans. No building, fence, wall, canopy, awning, structure or improvement, or change in landscaping shall be commenced, erected, altered, moved, removed or maintained upon the Properties, nor shall any exterior addition to, or change or alteration thereof be made until the plans and specifications showing the nature, kind, color, shape, height, materials and location of the same shall have been submitted to and approved in writing concerning compliance with the Declaration as to harmony of external design and location in relation to surrounding structures and topography by the Committee composed of three (3) or more representatives appointed by the Board.

Section 4. Procedures. The Committee shall approve or disapprove all plans and requests within thirty (30) days after submission. In the event the Committee fails to take any action within thirty (30) days after requests have been submitted, approval will not be required, and this Article IX will be deemed to have been fully complied with.

Section 5. Majority Vote, Designated Representative. A majority vote of the Committee is required for approval or disapproval of proposed plans and specifications or a majority of the Committee may designate, in writing, a representative to act.

Section 6. Written Records. The Committee shall maintain written records of all applications submitted to it and of all actions it may have taken.

Section 7. No Liability. The Committee shall not be liable in damage to any person submitting requests for approval or to any Owner within the Properties by reason of