

BY-LAWS

OF

ASPEN LEAF VILLAGE CONDOMINIUM ASSOCIATION

ARTICLE I

PURPOSE AND MEMBERSHIP

The ASPEN LEAF VILLAGE CONDOMINIUM ASSOCIATION, INC. (the "Association") is a nonprofit corporation organized under the Colorado Nonprofit Corporation Act for the purpose of governing the Aspen Leaf Village Condominiums, hereafter the "Project", located In Huerfano County, Colorado.

1.01 The Declaration. These By-Laws are made in accordance with the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE ASPEN LEAF VILLAGE CONDOMINIUMS, the "Declaration", and said Declaration, particularly Paragraphs 1 and 18 thereof, is incorporated herein by reference, and will not be repeated herein except as required for clarity.

1.02 The Articles. These By-Laws further supplement the Articles of Incorporation of the Association as filed with the Secretary of State of the State of Colorado.

1.03 Membership. The Owner of each Unit is a member of the Association. Said membership is appurtenant to the Unit of said Owner and shall pass with fee simple title to the Unit. The Association shall have two (2) classes of voting membership:

Class A. Class A members shall be all of those Owners as defined in the Declaration with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Unit in which they hold the interest required for membership. When more than one (1) person holds such interest in any Unit, all such persons shall be members. The vote for any such Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Unit.

Class B. The Class B membership shall be the Declarant as defined in the Declaration. The Class B membership shall be entitled to four (4) votes for each Unit in which it holds the interest required for membership, provided that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or
- (b) on July 1, 1985.

No member shall in any event be entitled to vote with respect to a Unit in which any assessment with respect to such Unit is unpaid and in arrears for a period of thirty (30) days or more at the time of such meeting, or action without a meeting.

3.04 Registration of Members. Each member shall register such membership with the Secretary of the Association by mail, at the below listed address, stating the facts supporting such membership and the name of the person to vote that membership. The Secretary shall maintain a register of members and outstanding votes. Class A and Class B, in accordance with such registration and Section 1.03 hereof.

ARTICLE XI

MEETINGS OF MEMBERS

2.01 Place of Meeting. The annual meetings of the Association shall be held at such time and place as designated by the Board of Directors. The first annual meeting shall be called by the initial Board of Directors no later than sixty (60) days following the date when eighty percent (80%) of the Units have been sold by the Declarant. At such meetings, the Owners may transact such

business of the Association as may properly come before the members including election of members of the Board of Directors.

2.02 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as required by the President, a resolution of the Board of Directors, or by petition of twenty-five percent (25%) of the Owners of the Units. The notice of any such special meeting shall state the time and place of such meeting and the specific purpose thereof. No business shall be transacted at a special meeting, except as stated in the notice. Any such meeting shall be held within sixty (60) days after receipt by the President of such resolution or petition.

2.03 Notice of Meetings. It shall be the duty of the Secretary to hand-deliver or to mail, by regular United States Mail, a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each Owner of record. Such notice shall be given not more than fifty (50) days and not less than twenty (20) days prior to the meeting so noticed. The certificate of the Secretary that notice was properly given as provided in these By-Laws shall be prima facie evidence thereof.

2.04 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of the outstanding votes as indicated on the Voting List described in Section 2.07 hereof shall constitute a quorum and an affirmative vote of a majority of those votes present at which a quorum is in attendance either in person or by proxy, shall be necessary to transact business and to adopt decisions binding on all Owners.

2.05 Proxies. Votes may be cast in person or by proxy. Proxies must be clear and specific, must be in writing and must be signed by the person authorized to exercise the vote proxied, and filed with the Secretary before the appointed time of each meeting. Proxies may be either general or for a particular meeting or for a particular issue. The holder of a proxy need not be a member of the Association.

2.06 Adjourned Meetings. If any meeting of members lacks a quorum, or for other good cause, the members who are present, either in person or by proxy, may adjourn the meeting for periods of no longer than one (1) week from time to time, until a quorum is obtained or until all business is concluded.

2.07 Voting List. At least ten (10) days before each meeting of members, a complete list of the members entitled to vote at the meeting, arranged in alphabetical order, with the address of each and the number of votes entitled to be voted, shall be prepared by the Secretary. The list, for a period of ten (10) days prior to the meeting, shall be kept on file at the office of the Association and shall be subject to inspection by any member at any time during usual business hours. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and shall be subject to the inspection of any member during the whole time of the meeting.

ARTICLE III BOARD OF DIRECTORS

3.01 Authority of Board of Directors. The business and affairs of the Association shall be managed by a Board of Directors which shall exercise all the powers of the Association, except as otherwise provided by law, the Declaration or the Articles of Incorporation.

3.02 Number. The number of Directors shall be three (3).

3.03 Qualification. Directors shall be natural persons at the age of eighteen (18) years or older, but need not be residents of the State of Colorado. Directors shall be Unit Owners, provided, however, that any natural person eighteen (18) years of age or older may be nominated to such office by Declarant, and may serve so long as Declarant is the Owner of a Unit.

3.04 Election. The Board of Directors shall be elected at the annual meeting of the membership or at a special meeting called for that purpose.

3.05 Term and Compensation. The first three (3) Directors to be elected shall have staggered terms; that is, one (1) each shall be elected to terms of

one (1) year, two (2) years and three (3) years. Thereafter, each Director shall be elected for a three (3) year term. Each Director shall hold office until his term expires and until his successor shall have been elected and qualified. The Directors shall serve without compensation, but may be reimbursed for actual expenses incurred in performance of such duties when such reimbursement is specifically authorized by Resolution of the Board of Directors.

3.06 Removal and Resignation. Any Director may be removed at a meeting of members called for that purpose, with or without cause. Any Director may resign at any time by giving written notice to the President or to the Secretary. Acceptance of such resignation shall not be necessary to make it effective unless the notice so provides.

3.07 Vacancies. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the size of the Board of Directors shall be filled by the affirmative vote of a majority, though less than a quorum, of the remaining Directors. A Director elected to fill a vacancy shall hold office during the unexpired term of his predecessor. A Director elected to fill a position resulting from an increase in the Board of Directors shall hold office until the next annual meeting of members and until his successor shall have been elected and qualified.

3.08 Meetings. A regular meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of members. No notice of this meeting of the Board of Directors need be given. The Board of Directors, or any committee designated thereby, may, by Resolution, establish a time and place for additional regular meetings which may thereafter be held without further notice. Special meetings of the Board of Directors, or any committee designated thereby, may be called by the President or any two (2) members of the Board of Directors or of such committee.

3.09 Notices. Notice of a special meeting stating the date, hour and place of such meeting shall be given to each member of the Board of Directors, or committee of the Board of Directors, by the Secretary, the President or the members of the Board or such committee calling the meeting. The notice shall be deposited in the United States Mail at least seven (7) days before the meeting addressed to each Director at the last known address he has furnished to the Association for this purpose, and any notice so mailed shall be deemed to have been given at the time it is mailed.

3.10 Quorum. Except as provided in Section 3.07 hereof, a majority of the number of Directors fixed in accordance with these By-Laws shall constitute a quorum at all meetings of the Board of Directors. The act of a majority of the Directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise specifically required by law.

3.11 Attendance by Telephone. Members of the Board of Directors or any committee designated thereby, may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by which all persons participating can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

3.12 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Project. The Board of Directors may do all such acts and things as are not by law, the Articles, these By-Laws or the Declaration either prohibited or directed to be exercised and done by the Owners.

3.13 Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.

(b) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the condominium Project and the common elements with the right to amend same from time to time. A copy of such rules and regulations shall be delivered to or mailed to each member promptly upon the adoption thereof. Prior to adoption thereof, proposed rules shall be mailed to all members and such comments as are timely received from any member shall be considered prior to adoption of such rules.

(c) To insure the maintenance, repair, replacement and improvement of the general common elements and limited common elements and all items of personal property, if any, used in the enjoyment of the entire condominium Project; provided, however, that capital additions, alterations or improvements requiring an expenditure in excess of \$3,000.00 per Unit in any one year shall have the prior approval of the members, except in the event of an emergency.

(d) To obtain and maintain to the extent obtainable all policies of insurance required by the Declaration.

(e) To periodically establish a budget based upon past expenses, adjusted as necessary to account for changed conditions and to fix, determine, levy and collect the prorated assessments to be paid by each of the Owners towards the common expenses of the Association; to adjust, decrease or increase the amount of the assessments; and to credit any excess of assessments over expenses and cash reserves to the Owners against the next succeeding assessment period. To levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in statement form and shall set forth in detail the various expenses for which the assessments are being made.

(f) To impose penalties and collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner as is provided in the Declaration and these By-Laws.

(g) To borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these By-Laws and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary or desirable.

(h) To enter into contracts within the scope of their duties and powers.

(i) To establish bank accounts which are interest bearing or non-interest bearing, as may be deemed advisable by the Board of Directors.

(j) To keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements with appropriate specificity and itemization and, upon affirmative vote of at least a majority of the Unit Owners, to cause a complete audit to be made of the books and accounts by a competent public accountant.

(k) To prepare and deliver annually to each Owner a statement showing all receipts, expenses or disbursements since the last such statement.

(l) To designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the general common elements.

(m) To suspend the voting right of an Owner for failure to comply with these By-Laws or the rules and regulations of the Association or with any other obligations of the Owners of the Units pursuant to the Declaration.

(n) In general, to carry on the administration of the Association and to do all of the things necessary and/or desirable in order to carry out the governing of the operation of the Project.

3.14 Managing Agent. The Board of Directors may employ a Managing Agent (at a compensation established by the Board of Directors), to perform such duties and services as it shall authorize. The Board of Directors may delegate any of the powers and duties granted to it, but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these By-Laws. Any contract of employment entered into with a Managing Agent must, however, be limited to a term not exceeding three (3) years and must provide that it is cancelable by either party without cause and without payment of a termination fee upon ninety (90) days written notice.

3.15 Action Taken Without a Meeting. The Directors shall have the right to take any action without a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

3.16 Fidelity Bonds. The Board of Directors shall require that all Officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. All actions of members of the Board in good faith and using reasonable care shall be without recourse by the Association or any Owner.

ARTICLE IV
OFFICERS

4.01 Designation. The Officers of the Association shall be a President, a Vice President or Vice Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors.

4.02 Election of Officers. The Officers of the Association shall be elected annually by the Board of Directors and shall hold office at the pleasure of the Board. All Officers, except the initial Officers, must be members of the Association, or otherwise qualified to serve as a Director. The President must be elected from among the Board of Directors. One (1) person may hold concurrently the office of Vice President and Secretary or Vice President and Treasurer or Secretary and Treasurer, but the President shall serve only in the office of President.

4.03 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 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 appoint committees from among the members from time to time 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.

4.04 Vice President. The Vice President shall have all of the powers and authority and perform all the functions and duties of the President, in the absence of the President or in the President's inability for any reason to exercise such powers and functions or perform such duties.

4.05 Secretary. The Secretary shall keep the minutes of all the meetings of the Board of Directors and the minutes of all meetings of the Association; the Secretary shall have charge of such books and papers as the Board of Directors may direct; and shall, in general, perform all 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 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 the Unit owned by such member, the ownership interest attributable thereto and a description of the limited common elements assigned for exclusive use in connection with such Unit. 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. Assistant Secretaries, as may be designated, appointed or hired by the Board, if any, shall have the same duties and powers, subject to supervision by the Secretary,

4.06 Treasurer. The Treasurer shall have responsibility for Association funds, 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 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 Board may appoint, designate or hire Assistant Treasurers or other persons as may be necessary to aid the Treasurer in performing his duties.

ARTICLE V
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every Director and Officer, and his or her heirs, executors and administrators against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which such person may be made a party by reason of being or having been a Director or Officer of the Association, except as to matters as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the

settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provision shall be treated and handled by the Association as common expenses. Nothing contained in this Article shall, however, be deemed to obligate the Association to indemnify any member or Owner of a condominium Unit who is or has been a Director or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred as a member or Owner of a Unit under or by virtue of the Declaration.

ARTICLE VI
AMENDMENTS

These By-Laws may be amended by the members of the Association, but no amendment shall be effective unless approved by members representing at least seventy-five percent (75%) of the outstanding votes of the Association. Any notice of any meeting for such purpose shall specify the nature and text of any proposed amendment or amendments; provided that these By-Laws shall at all times comply with the provisions of the Colorado Condominium Ownership Act.

ARTICLE VII
MORTGAGES AND LIENS

7.01 Notice to Association. Every Owner who transfers, leases or mortgages his Unit shall notify the Association by giving the name and address of his grantee or mortgagee to the Secretary of the Association.

7.02 Notice of Default. The Association shall, upon request, report to any first mortgagee any assessment which remains unpaid for over thirty (30) days or any other default of an Owner which remains uncured for over thirty (30) days.

7.03 Additional Liens. Liens, other than mechanic's liens, assessment liens, or tax liens may be obtained against the common elements in which an Owner has an Interest, including judgment liens and purchase money mortgages, subject to the provisions of the Declaration.

ARTICLE VIII
MISCELLANEOUS

8.01 Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, every person becoming an Owner of a Unit shall immediately furnish to the Secretary a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which copy shall remain in the files of the Association. 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.

8.02 Compliance. These By-Laws are intended to comply with the requirements of the Colorado Condominium Ownership Act. If any provision of these By-Laws conflict with any provision of said Act, as said Act may be amended, it is hereby agreed and accepted that the provisions of such Act will apply.

8.03 Character of Association. This Association is not organized for profit. No member, member of the Board of Directors, Officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation itself, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Board of Directors, Officers or members, except upon a dissolution of the Association; provided, however, (i) reasonable compensation may be paid to any member, manager, director or officer while acting as an agent or employee of the Association for service rendered in effecting one or more of the purposes of the Association, and (ii) any member, manager, director 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.

8.04 Conveyances and Encumbrances. Corporate property may be purchased, conveyed or encumbered for security of monies borrowed by authority of the Association and/or the Board of Directors. Conveyances or encumbrances shall be by instrument executed by the President or Vice President and by the Secretary or the Treasurer or 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.

8.05 Inspection of Records. Any Owner or mortgagee of a Unit may inspect the records of receipts and expenditures of the Board of Directors pursuant to C.R.S. (1973) 38-33-107, as amended, at convenient weekday business hours, and, upon ten (10) days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner and/or an estoppel certificate.

8.06 Services and Recreational Facilities. The Association provides no major recreational facilities and no services other than those specifically enumerated in these By-Laws.

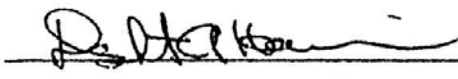
8.07 Assessments and Obligations Assumed by Owners. Each Owner, upon accepting conveyance of a Unit, assumes all of the obligations of ownership and membership as specified in these By-Laws and the Declaration, including past due assessments and debts to the Association not paid by his grantor.

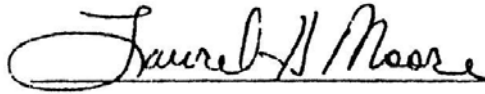
8.08 New Facilities. No new facilities or additional Units are contemplated. Should new facilities (other than Units) be constructed by the Association in accordance with these By-Laws, each Owner would pay his proportionate share of such costs, but diminution of any Owner's voting power or interest in common elements would not occur.

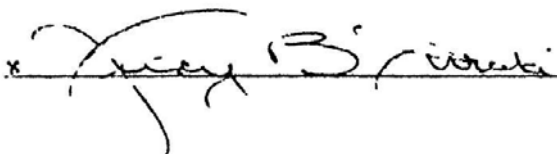
8.09 Address of the Association.

Mailing Address:	Panadero Box 10 Cuchara, Colorado 81055
Office Address:	4 East Avenue Cuchara, Colorado 81055
Telephone number:	(303) 742-3122

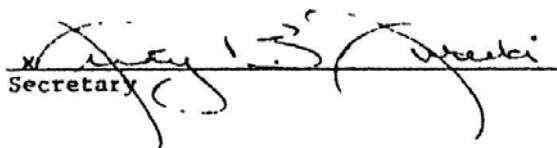
IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 8th day of March, 1983.







KNOW ALL MEN BY THESE PRESENTS: that the undersigned, Secretary of the Association, does hereby certify that the above and foregoing By-Laws were duly adopted by the Directors of said Association as the By-Laws of said Association on the 8th day of March, 1983, and that they do now constitute the By-Laws of said Association.



Secretary