

BYLAWS OF WEST ELK CREEK RANCH OWNERS ASSOCIATION, INC.

ARTICLE 1 -- INTRODUCTION

These are the Bylaws ("Bylaws") of for West Elk Creek Ranch Owners Association, Inc. (the "Association"). The Association shall operate in accordance with these Bylaws under the Colorado Common Interest Ownership Act, Sections 38-33.3-101, et seq., Colorado Revised Statutes, as amended from time to time (the "Act"). Capitalized terms not otherwise defined in these Bylaws or the declaration entitled "Protective Covenants and Easements for West Elk Creek Ranch And Supplement To Existing Covenants" and any amendment thereto from time to time (hereinafter referred to as the "Declaration") shall have the meanings defined in the Act.

Section 1.1 Purpose.

(a) The purpose for which this Association is formed is to govern the property situate in Garfield County, Colorado (the "Property"), which Property is more particularly described as set forth on Exhibit A attached hereto and incorporated herein and commonly known as West Elk Creek Ranch (the "Common Interest Community"). The Common Interest Community has been made subject to the provisions of the Declaration.

(b) All present or future members, occupants, or tenants or any other Person having an interest in a Tract (as defined in the Declaration) are subject to the regulations set forth in these Bylaws.

ARTICLE 2 -- MEMBERSHIP, VOTING, MAJORITY OF MEMBERS, QUORUM, PROXIES

Section 2.1 Association Membership. Membership in the Association shall consist of each individual, corporation, partnership, limited liability company, joint venture, trust or other legal entity capable of holding title to real property in the State of Colorado (but not those Persons having an interest in a Tract solely as security for an obligation) shall automatically become a member of the Association upon becoming an Owner of a Tract. There shall be one membership for each Tract owned within the Common Interest Community. This membership shall be automatically transferred upon the conveyance of the Tract. Voting shall be one vote per Tract, and the vote to which each membership is entitled is the vote assigned to its Tract in the Declaration. If a Tract is owned by more than one person, those persons shall agree among themselves how a vote for that Tract's membership is to be cast. Individual co-Owners may not cast fractional votes. Membership shall be continuous throughout the period that such ownership continues and shall be appurtenant to and inseparable from ownership of a Tract. Ownership of a Tract shall be the sole qualification for such membership. Membership shall terminate automatically without any Association action whenever any Owner ceases to own any Tract.

Section 2.2 Voting. The voting shall be as provided for in the the Articles of Incorporation of the Association and in these Bylaws.

Section 2.3 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of a majority of members shall constitute a quorum at any meeting of the members.

Section 2.4 Act of Members. Except as otherwise provided in the Declaration, the Articles of Incorporation, or these Bylaws, the affirmative vote of a majority of members present at a meeting at which a quorum is established shall constitute the act of the members.

Section 2.5 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signature must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE 3 -- EXECUTIVE BOARD

Section 3.1 Number and Qualification.

(a) The affairs of the Common Interest Community and the Association shall be governed by an Executive Board (the "Executive Board") which shall consist of three (3) persons ("Directors") who, excepting the Directors appointed by the Declarant, shall be members. If any Tract is owned by a partnership or corporation, any officer, partner or employee of such corporation or partnership shall be eligible to serve as a Director and shall be deemed to be a member for the purposes of the preceding sentence. Directors shall be elected by the members, except for the initial Executive Board, who shall be appointed by the Declarant. At any meeting at which Directors are to be elected, the members may, by resolution, adopt specific procedures which are not inconsistent with the Declaration, the Articles of Incorporation, these Bylaws, or the Revised Colorado Nonprofit Corporation Act for conducting these elections.

(b) The Executive Board shall elect the officers. The Directors and officers shall take office upon election.

Section 3.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Association's Declaration, Articles of Incorporation, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Articles of Incorporation, all powers granted to it under the Act.

Section 3.3 Removal of Directors. The members, by a sixty-six and two-thirds percent (66 2/3%) vote of all members present and entitled to vote at any meeting of the members at which a quorum is present, may remove any Director with or without cause, other than a Director appointed by the Declarant.

Section 3.4 Vacancies. Vacancies in the Executive Board, caused by any reason other than the removal of a Director by a vote of the members, may be filled at a special meeting of the

Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 3.5 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the members shall be held within 10 days after the annual meeting of the members at a time and place to be set by the Executive Board and may immediately follow the annual meeting of the members. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 3.6 Special Meetings. Special meetings of the Executive Board may be called by the president or 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 3.7 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 3.8 Quorum of Directors. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present and entitled to vote at a meeting at which a quorum is present shall constitute a decision of the Executive 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 called may be transacted without further notice.

ARTICLE 4 -- MEMBERS

Section 4.1 Annual Meeting. Annual meetings of the members shall be held each year during the month of October on such date as set forth in the notice. At these meetings, the Directors shall be selected by the members. The members may transact other business as may properly come before them at these meetings.

Section 4.2 Budget Meeting. Meetings of members to consider proposed budgets shall be called after adoption of a proposed budget by the Executive Board and notice of a budget summary given to members in accordance with the Act and the provisions of the Declaration. The budget may be considered at annual or special meetings called for other purposes as well.

Section 4.3 Special Meetings. Special meetings of the Association may be called by a

majority of the Directors or by members comprising fifty percent (50%) of the votes in the Association.

Section 4.4 Notice of Meetings. The secretary or other officer specified in the Bylaws shall cause notice of meetings of the members to be hand-delivered or sent prepaid by United States mail to the registered mailing address of each member in accordance with the records of the Association not less than 10 or more than 50 days in advance of a special meeting. No action shall be adopted at a meeting except as stated in the notice unless all members are present at the meeting.

Section 4.5 Waiver of Notice. Any member may, at any time, waive notice of any meeting of the members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

Section 4.6 Quorum. Except as otherwise provided in these Bylaws, a majority of the members, present in person or by proxy at any meeting of the members, shall constitute a quorum at that meeting.

Section 4.7 Majority Vote. At any meeting of members at which a quorum is present, the decision of the majority vote of the members present and entitled to vote at that meeting shall constitute the act of the members, unless the Declaration, these Bylaws, the Articles of Incorporation of the Association or the Act require a greater percentage. If there is a tie, the Executive Board, at a special meeting of the Executive Board held as soon as possible after such vote, shall cast the deciding vote.

ARTICLE 5 -- OFFICERS

Section 5.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board and shall have such powers and duties as may be assigned by the Executive Board.

Section 5.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board. They shall hold office at the pleasure of the Executive Board.

Section 5.3 Removal of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose.

ARTICLE 6 -- INDEMNIFICATION

The Association shall indemnify its officers, directors and agents to the full extent permitted by Colorado law.

ARTICLE 7 -- RECORDS

Section 7.1 Records and Audits. The Association shall maintain financial records. The cost of any audit shall be a Common Expense. Any audit of the Association's financial records shall be at the discretion of the Executive Board.

Section 7.2 Examination. All records maintained by the Association shall be available for examination and copying by any member, any holder of a security interest in a Tract 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 7.3 Records. The Association shall keep the records required by the Act.

ARTICLE 8 -- MISCELLANEOUS

Section 8.1 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

Section 8.2 Amendments. The Bylaws may be amended only by a vote of eighty (80%) percent of all members present and entitled to vote at any meeting of the members at which a quorum is present duly called for such purpose, and at any time in which the Declarant is also an Owner, the approval of the Declarant shall be a condition to an amendment of these Bylaws. No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage covering a Tract or which would change the provisions of the Bylaws with respect to institutional mortgagees of record.

ARTICLE 9 -- OBLIGATION OF THE MEMBERS

Section 9.1 Assessments. All members shall be obligated to pay the Assessments imposed by the Association to meet the Common Expenses as provided in the Declaration or the Act.

Section 9.2 Mechanic's Lien. As provided in the Declaration, each member agrees to indemnify and hold each of the other members harmless from any and all claims of mechanic's lien filed against other Tracts and the Common Elements for labor, materials, services or other products incorporated in the Owner's Tract.

CERTIFICATE OF SECRETARY

The undersigned does hereby certify that the undersigned is the Secretary of West Elk Creek Ranch Homeowners' Association, Inc., a Colorado nonprofit corporation, and that the above and foregoing Bylaws of the corporation were duly and regularly adopted as the

corporation's Bylaws by the Executive Board of the corporation, and that the above and foregoing amended and restated Bylaws are now in full force and effect.

Dated as of the _____ day of July, 2003.

Secretary

EXHIBIT A
(Legal Description of Property)