

**BY-LAWS
OF
BEAVER RUN HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

Name, Location and Object

The name of the corporation is BEAVER RUN HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in Summit County, State of Colorado, 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. The purpose for which the Association is formed is to govern the properties situated in the County of Summit, State of Colorado, described in the Declaration of Condominium for Beaver Run and for Building Four at Beaver Run Condominiums ("Declaration") and all amendments and supplements thereto. All terms defined in said Declaration or in the Association's Articles of Incorporation ("Articles") shall have the same meaning herein unless otherwise defined. The Association shall be a "not for profit" corporation.

ARTICLE II

Voting Rights

Section 1. Right to Vote. The right to vote upon Association matters shall be vested in the Board of Directors, or their successors and assigns, and the Members as set forth in the Articles of Incorporation.

Section 2. Election of Directors. Within thirty (30) days of the time at which the exclusive right to vote on Association matters is no longer vested in the

appointees of Declarant, its successors or assigns as provided in the Articles of Incorporation, a meeting of the members will be held for the purpose of electing a Board of Directors of the Association to succeed the original Board of Directors appointed by Declarant.

Section 3. Proxies. Voting by proxy is hereby authorized provided that all proxies shall be filed in writing with the Secretary of the Association at least 48 hours prior to the time of any meeting.

Section 4. Quorum. One-third (1/3) of the Members entitled to vote shall constitute a quorum for the transaction of any business of the Association, including the election of Directors.

Section 5. Adoption of Resolutions. It shall require a vote of not less than the majority of the Members at a meeting in person or by proxy to adopt a resolution presented at a membership meeting for adoption.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings. The annual meetings of the Members shall be held on the same day of the month of each year at the hour of 9:00 o'clock A.M., or at such other date and time as the Board of Directors from time to time may determine.

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

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 a meeting to each Member entitled to vote thereat, addressed to each 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.

Section 4. Adjourned Meetings. If any meeting of the Members cannot proceed by reason of the fact that a quorum is not present, either in person or by proxy at said meeting, the President may adjourn the meeting to a later date which shall not be more than ten (10) days from the time of the original meeting.

Section 5. Order of Business. The order of business at the annual meeting of the members shall be as follows:

- (a) Roll call of Members present
- (b) Inspection and verification of proxies
- (c) Reading of minutes of the preceding annual meeting and any other special meetings since such time
- (d) President's report
- (e) Report of officers
- (f) Committee reports
- (g) Appointment of inspectors for canvas of ballots to be cast
- (h) Election of members to the Board of Directors

- (i) Unfinished business
- (j) New business

Section 6. Binding Nature of Vote. Except where otherwise provided in the Declaration, Articles or By-Laws, a simple majority vote of the Members of the Association attending an Association meeting shall be sufficient to adopt decisions which are binding on all owners.

ARTICLE IV

Board of Directors

Section 1. Number and Qualifications. The affairs and business of this Association shall be conducted by a Board of Directors who shall be elected from the membership of the Association at the annual meetings by Members of the Association. The number of directors shall be determined by the Board of Directors from time to time, which maximum number shall be not less than three (3) and not more than nine (9). Eligibility and entitlement to serve on the Board of Directors shall be based upon legal or equitable ownership of any condominium unit and shall extend to the owner of any beneficial interest in such unit including a grantor or beneficiary of a trust or a recipient of a power of appointment or other such interest as may have been created as part of an estate plan by or on behalf of the putative member. Where a condominium unit is owned by more than one owner, such owners by a written instrument shall designate one of such owners to be the voting member and of such owners only the designated voting member shall be eligible to serve on the Board of

Directors. Members of the board shall serve until their successors are duly elected and qualified.

Section 2. Election and Term of Office. Commencing with the election of Directors at the Annual Meeting of 2003, the terms of office for the two nominees receiving the highest number of votes shall be three years and terms of office for the nominees receiving the next highest number of votes shall be two years. At the election of Directors at the Annual Meeting of 2004, the terms of office for the two nominees receiving the highest number of votes shall be four years, and the terms of office for the nominees receiving the next highest number of votes shall be three years. Thereafter, all Directors will be elected for four-year terms at the annual meetings of the Members so that the terms of Directors will be staggered. Nothing herein shall prevent the election of a Director whose term has expired to a new term as such Director. In the event that Section 1 of this Article IV is amended to increase the number of the Board of Directors, terms of office of any such additional members shall be set so as to foster the aforementioned staggering of the terms of all Directors as symmetrically as possible, given the number of members authorized to serve on the Board of Directors.

Section 3. Vacancies. Vacancies in the membership of the Board of Directors caused by any reason shall be filled by a vote of a majority of the remaining Directors even though they may constitute less than a quorum and each person so elected shall be a Director until a successor is elected at the next annual meeting of the membership.

Section 4. Removal of Directors. The term of office of any Director shall be declared vacant when such Director ceases to be a Member of the Association. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association.

Section 5. Compensation. Directors shall not be paid any compensation for their services performed as such Directors unless a resolution authorizing such remuneration shall have been adopted by the Association. Directors may be reimbursed for actual expenses incurred in connection with their duties as such Directors.

Section 6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the President of the Association or by a majority of its Board of Directors. Notice of regular meetings of the Board of Directors shall be given each Director personally or by mail, telephone or telegraph at least three (3) days prior to the time named for such meeting. Attendance at any meetings of the Board of Directors shall be limited to those current members of the Board of Directors and such other persons only who shall have been invited by a member of the Board of Directors to attend such meeting or a portion thereof.

Section 7. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on 48 hours notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time and place of the meeting and the purpose thereof.

Section 8. 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 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 a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 9. Quorum. A majority of the Board of Directors then in office shall constitute a quorum for the transaction of any business of the Association, and the acts of the majority of the Directors present at a meeting at which time a quorum was present shall be the act of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the majority of those present may adjourn the meeting. At any adjourned meeting any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Duties. The Board of Directors shall carry on the duties and manage the affairs of the Condominium project known as "Beaver Run Homeowners Association", pursuant to and in accordance with the Declaration of Condominium for Beaver Run. The Board may exercise for the Association all powers, duties and authority vested in or delegated to the Association and not specifically reserved to the membership by other provisions of the By-Laws, Articles of Incorporation or the Declaration. The Board shall keep complete records of all its acts and corporate affairs, and shall present a statement thereof to the Members at the annual meeting of the Members or at any special meeting

when requested by at least 25% of all voting members. The Board may designate and remove personnel necessary for the operation, maintenance, repair and replacement of the General Common Elements. The Board also shall supervise all officers, agents and employees of the Association and see that their duties are properly performed. The Board shall cause the Association to perform all duties incumbent upon it.

Section 11. Manager. The Board of Directors may employ the services of a Manager, and may delegate to such Manager any of the duties, powers or authority of the Board.

Section 12. Rules. The Board of Directors may adopt or amend rules and regulations governing the General Common Elements and the Limited Common Elements as set forth in the Declaration at any time by majority vote.

Section 13. Indemnification. The Manager, employees of the Association and each Director and officer of the Association, shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having acted as such on behalf of the Association, provided that this indemnification shall not apply if the said person is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided further that in the event of a settlement, the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association. The foregoing rights of indemnification shall be in

addition to and not exclusive of all other rights to which such person may be entitled. Corporation directors and officers shall have the benefit of the same limitation on personal liability for any injury to person or property arising out of a tort as set forth in Section 7-5-119, C.R.S. as amended, for directors and officers respectively, of corporations for profit. In addition, corporation directors, officers, employees and agents shall have the same rights as directors, officers, employees and agents, respectively of corporations for profit as set forth in Section 7-3-101.5 C.R.S. as amended.

Section 14. Individual Assessment. The Board of Directors may assess any Owner who rents or leases his Condominium Unit, and add to such Owner's assessment, a fractional share of the expense incurred by the Association to facilitate the rental of condominium units and, to provide service for the benefit of tenants of Owners of condominium units, in this condominium project.

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 written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

and

Conflicts of Interest

Section 1. Nomination. Nomination for election of the Board of Directors may be made by any member no less than two (2) weeks prior to any meeting in which a director shall be elected. Nominations may also be made from the floor at the annual meeting. There shall be as many nominations for election to the Board of Directors as shall be needed to fill the number of vacancies that are to be filled. Such nominations may be made from among Members or Non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such elections, the Members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 3. Conflicts of Interest. The following rules shall govern the general standards for directors in matters which may raise a possible conflict of interest:

(a) A conflict of interest transaction is a transaction with the Association in which a director of the Association has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair at the time it was entered into or is approved as provided in subsection (b) or (c).

(b) A transaction in which a director of the Association has a conflict of interest may be approved:

- (i) In advance by a vote of the board of directors or a committee of the board if the material facts of the transaction and the director's interests are disclosed or known to the board or committee of the board and the directors approving the transaction is fair to the corporation; or
 - (ii) before or after it is consummated by obtaining the approval of the district court of the State of Colorado having venue over the proposed transaction.
- (c) A transaction in which a director of the Association has a conflict of interest may be approved if:
 - (i) the material facts of the transaction and the director's interests were disclosed or known to the board of directors of a committee of the board and the board or committee of the board authorized, approved, or ratified the transaction; or
 - (ii) The material facts of the transaction and the director's interests were disclosed or known to the members and they authorized, approved, or ratified the transaction.
- (d) For purposes of this section, a director of the Association has an indirect interest in a transaction if another entity in which the director has a material interest or in which the director is a general partner, is a party to the transaction, or another entity of which the director is a director, officer, or trustee is a party to the transaction.

(e) For purposes of subsections (b) and (c), a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction; but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsections (b) (i) or (c) (i) if the transaction is otherwise approved as provided in subsection (b) or (c).

(f) For purposes of subsection (c) (ii), a conflict of interest transaction is authorized, approved, or ratified by the members if it receives a majority of the votes entitled to be counted under this subsection. Votes cast by or voted under the control of a director who has a direct or indirect interest in the transaction, and votes cast by or voted under the control of an entity described in subsection (d), may not be counted in a vote of members to determine whether to authorize, approve, or ratify a conflict of interest transaction under subsection (c) (ii). The vote of these members, however, is counted in determining whether the transaction is approved under other sections of this article. A majority of the voting power, whether or not present, that are entitled to be counted in

a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

ARTICLE VI

Officers

Section 1. Designation. The principal officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. The officers of the Association may be combined, except that the President and Secretary shall not be the same person. Other officers may be appointed or elected by the Board of Directors from time to time.

Section 2. Election of officers. The officers shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and the successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

Section 4. Duties. The duties of the officers are as follows:

(a) President: The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; and shall sign all leases, mortgages, deeds of trust, deeds and other written instruments.

(b) Vice President: The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members together with addresses, and shall perform such other duties as required by the Board.

(d) Treasurer: 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 of Directors; provided however, the Treasurer may delegate the foregoing duties to a manager or managing agent satisfactory to the Board; shall sign all promissory notes of the Association; keep proper books of account; cause annual financial statements of the Association to be made by a certified 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 Members at the regular annual meeting, and deliver a copy of each to the Members. The Treasurer shall co-sign any checks for an amount in excess of \$2,500.

ARTICLE VII

Books and Records - Inspection

Section 1. Books and Records. The Board of Directors shall cause to be maintained at the principal office of the Association complete books of account of the affairs of the Association.

Section 2. Inspection. Such books of account shall be open to inspection upon the written demand of any Member or holder of a first deed of trust on any Condominium Unit for a purpose reasonably related to their interest as such Owner or holder and shall be exhibited to such Owner or holder at any reasonable business hours upon ten (10) days notice made to the Manager or Board of Directors. Such inspection may be made in person, or by agent or attorney, and the right of inspection includes the right to make extracts or perform audits. All of the foregoing shall be at the expense of the inspecting party. Any Member shall be furnished a statement of the Member's account setting forth the amount of unpaid assessments or other charges owing by such Member, upon ten (10) days notice to the Manager or Board of Directors and payment of a reasonable fee.

Section 3. Budget. The Board of Directors shall hold a meeting before the end of the current fiscal year of the Association at which it shall adopt a budget for the next fiscal year. The budget so adopted may be used as a basis for the assessments against Owners authorized by the Declaration.

Section 4. Audit. The Board of Directors may employ counselors, attorneys and auditors in connection with the preparation of the Association

financial statements or any audit of its books and records required by the Board from time to time.

Section 5. Organic Documents. Current copies of the Declaration, Articles of Incorporation, By-Laws, Rules and Regulations, and the current financial statements of the Association shall be made available for inspection by interested parties upon prepayment of the stated cost thereof.

ARTICLE VIII

Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association, the State of incorporation, and the word, "seal".

ARTICLE IX

Amendments

Section 1. By-Laws. These By-Laws may be amended by a majority vote of the Board of Directors at any regular meeting or at any special meeting called for such purpose, or by a majority of a quorum of Members. The notice of any meeting to amend the By-Laws shall specify such purpose, and notice of any meeting wherein a material amendment to the By-Laws is contemplated shall be sent by the Secretary to all owners of condominium units. No By-Law shall be amended and no supplemental By-Laws shall be added hereto which shall be in conflict with the statutes of the State of Colorado, the Declaration of Condominium for Beaver Run or the Articles of Incorporation of the Association.

Section 2. Articles of Incorporation. The Articles of Incorporation of the Association may be amended by a two-thirds (2/3) vote of the Members present, in person or by proxy, entitled to vote thereon, at any regular or special meeting called for such purpose. The Board shall adopt a resolution setting forth the proposed amendment and directing its submission to such vote. Amendments shall also be submitted to vote upon the request of at least one twentieth (1/20) of the Members entitled to vote. Written notice setting forth the proposed amendment or a summary of changes to be effected thereby shall be given to each Member entitled to vote thereon at least ten (10), but no more than thirty (30), days before such meeting. Such notice shall also be sent to all holders of first deeds of trust on Condominium Units who request the same in writing.

Section 3. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE X

Miscellaneous

The fiscal year of the Association shall be as determined by the Board of Directors.

IN WITNESS WHEREOF, we, being all of the directors of BEAVER RUN HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 12th day of April, 2003.

/s/ Lou Herman
Director

/s/ Rich Nelson
Director

/s/ Robert M. Girvin
Director

/s/ Joyce Kupsh
Director

/s/ John McLeod
Director

/s/ Pete Novembre
Director

/s/ Rod Corbett
Director

/s/ Ken Harbour
Director

I certify that these restated By-Laws are complete and have been adopted by the Board of Directors of the Association.

/s/ Pete Novembre
Pete Novembre
Secretary/Treasurer