

BYLAWS
OF
THE TIMBERS ON RIVER RUN CONDOMINIUM ASSOCIATION, INC.

TABLE OF CONTENTS

ARTICLE I
GENERAL 1

 1.1 Purpose of Bylaws 1

 1.2 Terms Defined in Declarations 1

 1.3 Relationship to the Neighbourhood Company Documents 1

 1.4 Controlling Laws and Instruments 1

ARTICLE II
CHANGE OF REGISTERED OFFICE OR AGENT 1

 2.1 Registered Office and Agent 2

ARTICLE III
MEMBERS 2

 3.1 Members 2

 3.2 Memberships Appurtenant to Units 2

 3.3 Members' Voting Rights 2

 3.4 Voting by Joint Owners 2

 3.5 Suspension of Voting Rights 3

 3.6 Transfer of Memberships on Association Books 3

 3.7 Assignment of Voting Rights to Tenants and Mortgagees 3

ARTICLE IV
MEETING OF MEMBERS 3

 4.1 Place of Membership' Meetings 3

 4.2 Annual Meetings 3

 4.3 Special Meetings 3

 4.4 Record Date 4

 4.5 Notice of Membership' Meetings 4

 4.6 Proxies 4

 4.7 Quorum at Membership' Meetings 5

 4.8 Adjournment of Membership' Meetings 5

 4.9 Vote Required at Meetings 5

 4.10 Cumulative Voting Not Permitted 5

 4.11 Order of Business 5

 4.12 Expenses of Meetings 6

 4.13 Waiver of Notice 6

4.14	Action of Owners Without a Meeting . . .	
------	--	--

ARTICLE V

EXECUTIVE BOARD		6
5.1	General Powers and Duties of Executive Board	6
5.2	Special Powers and Duties of Executive Board	6
5.3	Qualifications of Directors	8
5.4	Number of Directors	8
5.5	Term of Office of Directors	8
5.6	Removal of Directors	8
5.7	Resignation of Directors	8
5.8	Vacancies in Directors	8
5.9	Executive Committee	9
5.10	Other Committees	9
5.11	General Provisions Applicable to Committees	9
5.12	Manager or Managing Agent	9

ARTICLE VI

MEETINGS OF DIRECTORS		9
6.1	Place of Directors' Meetings	9
6.2	Annual Meeting of Directors	10
6.3	Other Regular Meetings of Directors	10
6.4	Special Meetings of Directors	10
6.5	Notice of Directors' Meetings	10
6.6	Proxies	11
6.7	Quorum of Directors	11
6.8	Adjournment of Directors' Meetings	11
6.9	Vote Required at Directors' Meeting	11
6.10	Order of Business	11
6.11	Officers at Meetings	11
6.12	Waiver of Notice	11
6.13	Action of Directors Without a Meeting	12

ARTICLE VII

OFFICERS		12
7.1	Officers, Employees and Agents	12
7.2	Appointment and Term of Office of Officers	12
7.3	Removal of Officers	12
7.4	Resignation of Officers	12

7.5	Vacancies in Officers	12
7.6	President	13
7.7	Vice Presidents	13
7.8	Secretary	13
7.9	Treasurer	13
7.10	Bonds	13

ARTICLE VIII

INDEMNIFICATION OF OFFICIALS AND AGENTS	14
8.1 Certain Definitions	14
8.2 Right of Indemnification	14
8.3 Advances of Expenses and Defense	14
8.4 Rights Not Exclusive	15
8.5 Authority to Insure	15

ARTICLE IX

MISCELLANEOUS	15
9.1 Amendment of Bylaws	15
9.2 Compensation of Officers, Directors and Members	15
9.3 Books and Records	15
9.4 Annual Report	16
9.5 Biennial Corporate Reports	16
9.6 Fiscal Year	16
9.7 Seal	16
9.8 Shares of Stock and Dividends Prohibited	16
9.9 Loans to Directors, Officers and Members Prohibited	16
9.10 Limited Liability	17
9.11 Minutes and Presumptions Thereunder	17
9.12 Record of Mortgages	17
9.13 Checks, Drafts, and Documents	17
9.14 Execution of Documents	17

BYLAWS
OF
THE TIMBERS ON RIVER RUN CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

GENERAL

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of The Timbers on River Run Condominium Association, Inc., a Colorado non-profit corporation (the "Association") organized to be the association to which reference is made in the Condominium Declaration for The Timbers on River Run Condominium Association, Inc. (as it may be amended from time to time, the "Condominium Declaration"), to perform the functions as provided in the Condominium Declaration and to further the interests of Owners of Units within the Condominium.

1.2 Terms Defined in Declarations. Capitalized terms that are used but not otherwise defined in these Bylaws shall have the meanings given to such terms in the Condominium Declaration.

1.3 Relationship to the Neighbourhood Company Documents. Owners within the Association have agreed to abide by the terms and conditions of the Neighbourhood Company Documents and the Neighbourhood Company Documents will control in the event of any conflict or inconsistency between the terms and conditions of the Condominium Declaration and the terms and conditions of the Neighbourhood Company Documents. Therefore, the terms and conditions set forth in these bylaws are subject to the Neighbourhood Company Documents.

1.4 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado Nonprofit Corporation Act, the Condominium Declaration and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

ARTICLE II

CHANGE OF REGISTERED OFFICE OR AGENT

2.1 Registered Office and Agent. The Colorado Nonprofit Corporation Act requires that the Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Association but may be changed by the Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

ARTICLE III

MEMBERS

3.1 Members. A "Member" is the Person, or if more than one, all Persons collectively, who constitute the Owner of a Unit within the Condominium.

3.2 Memberships Appurtenant to Units. Each Membership shall be appurtenant to the fee simple title to a Unit, and may not be separated from the Unit to which it is appurtenant. The Person or Persons who constitute the Owner of fee simple title to a Unit shall automatically be the holder of the Membership appurtenant to that Unit, and the Membership shall automatically pass with fee simple title to the Unit.

3.3 Members' Voting Rights. Members' Voting Rights are set forth in the Articles of Incorporation and the Condominium Declaration.

3.4 Voting by Joint Owners. If the Owner of a Unit is more than one Person, each such Person shall be entitled to attend any meeting of Members of the Association but the voting power attributable to the Unit shall not be increased. In all cases in which the Owner of a Unit is more than one Person, including instances in which a Unit is owned by a husband and wife, then, unless written notice to the contrary, signed by any one of such Persons, is given to the Executive Board of the Association prior to the meeting, any one such Person shall be entitled to cast, in person or by proxy, the vote attributable to the Unit. If the Owners of a Unit cannot agree among themselves as to how to cast their votes on a particular matter, they shall lose their right to vote on such matter. If any Owner casts a vote representing a Membership appurtenant to a particular Unit, it will thereafter be

presumed for all purposes that the Owner was acting with the authority and consent of all other Owners with whom such Owner shares the Membership, unless objection thereto is made by an Owner of that Unit to the person presiding over the meeting at the time the vote is cast. If more than one vote is cast for any particular Membership, none of such votes shall be counted, and all of such votes shall be deemed null and void.

3.5 Suspension of Voting Rights. The Executive Board may suspend, after Notice and Hearing, the voting rights of an Owner during and for up to 60 days following any breach by such Member of any provision of the Condominium Declaration or of any Rule or Regulation adopted by the Association unless such breach is a continuing breach, in which case such suspension shall continue for so long as such breach continues and for up to 60 days thereafter.

3.6 Transfer of Memberships on Association Books. Transfers of Memberships shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit to which the Membership is appurtenant. Prior to presentation of such evidence, the Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

3.7 Assignment of Voting Rights to Tenants and Mortgagees. A Member may assign his voting rights to any Person by duly executed proxies timely delivered to the Association. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Association.

ARTICLE IV

MEETING OF MEMBERS

4.1 Place of Membership' Meetings. Meetings of Owners shall be held at the principal office of the Association or at such other place, within or convenient to the Condominium, as may be fixed by the Executive Board and specified in the notice of the meeting.

4.2 Annual Meetings. Annual Membership meetings shall be held in _____ of every year beginning in _____ of _____ on such day in _____ and at such time of day as is fixed by the Executive Board of the Association and specified

in the notice of meeting. The annual meeting shall be held to elect Directors of the Association and to transact such other business as may properly come before the meeting.

4.3 Special Meetings. Special meetings may be called by the President or the Executive Board of the Association or by Owners holding not less than 10% of the total votes of all Owners, excluding votes of Declarant, or by Declarant if it holds at least 10% of the total votes of all Owners. No business shall be transacted at a special meeting except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining Owners entitled to notice of, or to vote at, any meeting of Owners or in order to make a determination of such Owners for any other proper purpose, the Executive Board of the Association may fix, in advance, a future date as the record date for any such determination of Membership. The record date shall be not more than 50 days prior to the Membership meeting or the event requiring a determination of Membership. Once the record date is established, the Association shall prepare a list of Owners as required by Section 7-127-201 of the Colorado Nonprofit Corporation Act.

4.5 Notice of Membership' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered not less than 10 days (or if notice is mailed by other than first-class or registered mail, 30 days) nor more than 60 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Association or the officers or persons calling the meeting, to each Owner entitled to vote at such meeting. The notice of an annual meeting shall include the names of any known candidate for director and shall identify any other matter which it is known may come before the meeting. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If personal notice is impractical, notice may be communicated by newspaper publication as permitted by Section 7-121-402 of the Colorado Nonprofit Corporation Act.

4.6 Proxies. An Owner entitled to vote may vote in person or by proxy executed in writing by the Owner or his duly authorized attorney-in-fact and filed with the Secretary of the meeting prior to the time the proxy is exercised. Any proxy may be revoked, prior to the time the proxy is exercised, by an Owner in person at a meeting or by revocation in writing filed with the Secretary. A proxy shall automatically cease upon the conveyance of the Owner's Unit and the transfer of the Membership on the books of the Association. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy and no proxy shall be valid in any event for more than three years after its date of execution. Any form of proxy furnished or solicited by the

Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Owners to specify a choice between approval and disapproval of each voting matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, and shall provide, subject to reasonably specified conditions, that if a proxy specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Membership' Meetings. Except as may be otherwise provided in the Condominium Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Owners entitled to cast at least 25% of the votes of all Owners shall constitute a quorum at any Membership meeting. Owners present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Owners so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such Membership meeting, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Owners entitled to cast at least 10% of the votes of all Owners, shall, except as may be otherwise provided in the Condominium Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

4.8 Adjournment of Membership' Meetings. Owners present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed 30 days after the date set for the original meeting (but in no event later than 70 days after the record date set for purposes of such meeting). At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

4.9 Vote Required at Meetings. At any meeting if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Condominium Declaration, the Articles of Incorporation or these Bylaws, except that in the case of elections in which there are more than two candidates the persons receiving the highest number of votes cast shall be elected.

4.10 Cumulative Voting Not Permitted. Cumulative voting by Owners shall not be permitted for any purpose.

4.11 Order of Business. The order of business at any Membership meeting shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) election of Directors (at annual meetings or special meetings held for such purpose) and (e) any other Association business.

4.12 Expenses of Meetings. The Association shall bear the expenses of all meetings of Owners.

4.13 Waiver of Notice. A waiver of notice of any Membership meeting, signed by an Owner, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to the waiving Owner. Attendance of an Owner at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Owner attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.14 Action of Owners Without a Meeting. Any action required to be taken or which may be taken at a Membership meeting may be taken without a meeting if a consent, in writing, setting forth the action so taken, and which complies with the requirements of applicable law (including Colorado Revised Statute, Section 7-127-107) shall be signed by all of the Owners entitled to vote with respect to the subject matter thereof.

4.15 Action by Written Ballot. Any action which may be taken at a Membership meeting may be taken by written ballot as permitted by Section 7-127-109 of the Colorado Nonprofit Corporation Act.

ARTICLE V

EXECUTIVE BOARD

5.1 General Powers and Duties of Executive Board. The Executive Board shall have the duty to manage and supervise the affairs of the Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Executive Board shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Association not reserved to Owners in the Condominium Declaration, the Articles of Incorporation, these Bylaws, or applicable law.

5.2 Special Powers and Duties of Executive Board. Without limiting the foregoing statement of general powers and duties of the Executive Board or the powers and duties of the Executive Board as set forth in the Condominium Declaration, the Executive Board of the Association shall be vested with the responsible for the following specific powers and duties:

(a) Assessments. The duty to fix and levy from time to time Owners Assessments and other charges upon the Owners as provided in the Condominium Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Condominium Declaration.

(b) Insurance. The duty to contract and pay premiums for fire and casualty and liability and other insurance in accordance with the provisions of the Condominium Declaration.

(c) Common Area. The duty to manage and care for the Common Elements, and to employ personnel necessary for the care and operation of the Common Elements, and to contract and pay for necessary Improvements on property acquired by the Association.

(d) Agents and Employees. The power to select, appoint, and remove all officers, agents, and employees of the Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Condominium Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Executive Board.

(e) Borrowing. The power, with the approval of the Owners representing at least 67% of the voting power of the Association, to borrow money and to incur indebtedness for the purpose of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

(f) Enforcement. The power to enforce the provisions of the Condominium Declaration, the Rules and Regulations of the Association, these Bylaws or other agreements of the Association.

(g) Delegation of Powers. The power to delegate its powers according to law.

(h) Rules and Regulations. The power to adopt such rules and regulations with respect to the interpretation and implementation of the Condominium Declaration, use of Common Elements, and use of any property within the Condominium, including Units; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with applicable law, the Condominium Declaration, the Articles of Incorporation and these Bylaws.

5.3 Qualifications of Directors. A Director must be an Owner of a Unit within the Condominium or, if the Owner of any such Residential Unit is a partnership, corporation, or limited liability company, must be a designated representative of such partnership, corporation, or limited liability company. If a Director conveys or transfers title to his Unit, or if a Director who is a designated representative of a partnership, corporation, or limited liability company ceases to be such designated representative, or if the partnership, corporation, or limited liability company of which a Director is a designated representative transfers title to its Unit, such Director's term as Director shall immediately terminate and a new Director shall be selected as promptly as possible to take such Director's place. A Director may be re-elected and there shall be no limit on the number of terms a Director may serve.

5.4 Number of Directors. The number of Directors of the Association shall be at least three (3) but not more than seven (7).

5.5 Term of Office of Directors. The initial Directors named in the Articles of Incorporation shall hold office until the first annual meeting. At the first annual Membership meeting, one director shall be elected and at each annual meeting thereafter, one director shall be elected. Directors shall continue in office until the next annual Membership meeting or until their successors have been elected, whichever is later, unless a Director resigns, is removed or his term of office terminates because he is no longer qualified to be a Director. Declarant shall have the right to appoint all Directors during the Declarant Control Period as provided in Section 6.3 of the Declaration.

5.6 Removal of Directors. Any Director (other than a Director appointed by Declarant during the Declarant Control Period) may be removed, with or without cause, by vote of 67% of all Memberships represented in person or by proxy at a meeting at which a quorum is present and a successor may be then and there elected to fill the vacancy thus created.

5.7 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Executive Board stating the

effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.8 Vacancies in Directors. Any vacancy occurring in the Executive Board shall, unless filled in accordance with Section 5.6 or by election at a Membership meeting, be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Executive Board. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office. A Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Owners.

5.9 Executive Committee. The Executive Board, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee, which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Executive Board except authority with respect to those matters specified in the Colorado Nonprofit Corporation Act as matters which such committee may not have and exercise the authority of the Executive Board.

5.10 Other Committees. The Executive Board, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Owners who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee except that only a committee which consists of two or more Directors may exercise such authority as can only be exercised by the Executive Board.

5.11 General Provisions Applicable to Committees. The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Executive Board, or any individual Director, of any responsibility imposed upon it or him by law. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Executive Board.

5.12 Manager or Managing Agent. The Executive Board, by resolution adopted by a majority of the Directors in office, may, at any time, designate and appoint a manager or a managing agent, or both, which manager or managing agent shall have and exercise those powers and shall fulfill those duties of the Executive Board as shall be specified in any such resolution. Any such resolution may delegate all or substantially all of the powers and duties of the Executive Board to any such manager or managing agent but

the Executive Board, in delegating powers and duties to any such manager or managing agent, shall not be relieved of its responsibilities under the Condominium Declaration.

ARTICLE VI

MEETINGS OF DIRECTORS

6.1 Place of Directors' Meetings. Meetings of the Executive Board shall be held at the principal office of the Association or at such other place, within or convenient to the Condominium, as may be fixed by the Executive Board and specified in the notice of the meeting.

6.2 Annual Meeting of Directors. Annual meetings of the Executive Board shall be held on the same date as, or within 10 days following, the annual Membership meeting. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Executive Board shall be necessary if the meeting is held on the same day and at the same place as the annual Membership meeting at which the Executive Board is elected or if the time and place of the annual Membership meeting of the Executive Board is announced at the annual Membership meeting.

6.3 Other Regular Meetings of Directors. The Executive Board shall hold regular meetings at least quarterly and may, by resolution, establish in advance the times and places for such regular meetings. No prior notice of any regular meetings need be given after establishment of the times and places thereof by such resolution.

6.4 Special Meetings of Directors. Special meetings of the Executive Board may be called by the President or any two members of the Executive Board.

6.5 Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than two days before the date of the meeting, by mail, telegraph, facsimile, telephone or personally, by or at the direction of the persons calling the meeting, to each member of the Executive Board. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the second business day after it is deposited in the mail addressed to the Director at his home or business address as either appears on the records of the Association, with postage thereon prepaid. If telegraphed or sent by facsimile, such notice shall be deemed delivered at 5:00 p.m. on the next calendar day after it is deposited in a telegraph

office addressed to the Director at either such address, with all charges thereon prepaid, or after receipt of facsimile transmission at the Director's facsimile number in the Association records, as the case may be. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director or to any person answering the phone who sounds competent and mature at his home or business phone number as either appears on the records of the Association. If given personally, such notice shall be deemed to be delivered upon delivery or a copy of a written notice to, or upon verbally advising, the Director or some person who appears competent and mature at his home or business address as either appears on the records of the Association.

~~Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Executive Board need be specified in the notice or waiver of such meeting.~~

6.6 Proxies. A Director shall not be entitled to vote by proxy at any meeting of Directors, except as provided in Section 7-128-205(4) of the Colorado Nonprofit Corporation Act..

6.7 Quorum of Directors. A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business.

6.8 Adjournment of Directors' Meetings. Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

~~6.9 Vote Required at Directors' Meeting. At any meeting of the _____ Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Condominium Declaration, the Articles of Incorporation or these Bylaws.~~

6.10 Order of Business. The order of business at all meetings of Directors shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice;

(c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.11 Officers at Meetings. The President shall act as chairman and the Secretary shall prepare and maintain minutes of all meetings of Directors.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Executive Board, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if each and every Director, in writing, either (a) approves such action, or (b) votes against such action or abstains from voting, and waives the right to demand that a meeting be held. Approval of such action requires the affirmative approval of the number of Directors who could approve such action at a meeting at which all Directors were present and voted.

ARTICLE VII

OFFICERS

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Executive Board. Officers other than the President need not be Directors.

7.2 Appointment and Term of Office of Officers. The officers shall be appointed by the Executive Board at the annual meeting of the Executive Board and shall hold office, subject to the pleasure of the Executive Board, until the next annual meeting of the Executive Board or until their successors are appointed, whichever is later, unless the officer resigns, or is removed earlier. Declarant shall have the right to appoint all officers during the Declarant Control Period as provided in Section 6.3 of the Condominium Declaration.

7.3 Removal of Officers. Any officer, employee or agent may be removed by the Executive Board, with or without cause, whenever in the Executive Board's

subjective judgment the best interests of the Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

7.4 Resignation of Officers. Any officer may resign at any time by giving written notice to the President, to the Secretary or to the Executive Board of the Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.5 Vacancies in Officers. Any vacancy occurring in any position as an Officer may be filled by the Executive Board. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office.

7.6 President. The President shall be a member of the Executive Board and shall be the principal executive officer of the Association and, subject to the control of the Executive Board, shall direct, supervise, coordinate and have general control over the affairs of the Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Executive Board and of the Owners.

7.7 Vice Presidents. The Vice Presidents may act in place of the President in case of his death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Executive Board or by the President.

7.8 Secretary. The Secretary shall be the custodian of the records and the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Owners, of the Executive Board and of committees of the Executive Board; shall keep at the principal office of the Association a record of the names and addresses of the Owners; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Executive Board or by the President. The Executive Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence or inability to act.

7.9 Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Association; shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Executive Board; shall keep correct and complete financial records and books of account and records of financial transactions and condition of the Association and shall submit such reports thereof as the Executive Board may, from time to time, require; shall arrange for the annual report required under Section 9.4 of these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Executive Board or by the President. The Executive Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence or inability to act.

7.10 Bonds. The Association shall require fidelity bonds covering officers or other persons handling Association funds as required by applicable law. The Association shall pay the premiums for such bonds.

ARTICLE VIII

INDEMNIFICATION OF OFFICIALS AND AGENTS

8.1 Certain Definitions. A "Corporate Official" shall mean any Director or officer and any former Director or officer of the Association. A "Corporate Employee" shall mean any employee and any former employee of the Association. "Expenses" shall mean all costs and expenses including attorneys' fees, liabilities, obligations, judgments and any amounts paid in reasonable settlement of a Proceeding. "Proceeding" shall mean any claim, action, suit or proceeding, civil or criminal, whether threatened, pending or completed, and shall include appeals.

8.2 Right of Indemnification. The Association shall indemnify any Corporate Official and may, in the discretion of the Executive Board, indemnify any Corporate Employee against any and all Expenses actually and reasonably incurred by or imposed upon him in connection with, arising out of, or resulting from, any Proceeding in which he may be involved or to which he is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his official capacity as a Corporate Official or Corporate Employee, or (b) any matter claimed against him solely by reason of his being a Corporate Official or Corporate Employee. The right of indemnification shall extend to all matters as to which a majority of disinterested directors of the Association by resolution, or independent legal counsel in a written opinion, shall determine that the Corporate Official or

Employee acted in good faith and had no reasonable cause to believe that his conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Corporate Official or Employee is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

8.3 Advances of Expenses and Defense. The Association may advance Expenses to, or where appropriate, may undertake the defense of, any Corporate Official or Employee in a Proceeding provided that the Corporate Official or Corporate Employee shall undertake, in writing, to reimburse the Association for the Expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that the Corporate Official or Employee is not entitled to indemnification under this Article.

8.4 Rights Not Exclusive. The right of indemnification herein provided shall not be exclusive of other rights to which such Corporate Official or Corporate Employee may be entitled.

8.5 Authority to Insure. The Association may purchase and maintain liability insurance on behalf of any Corporate Official or Corporate Employee against any liability asserted against him and incurred by him as a Corporate Official or Corporate Employee or arising out of his status as such, including liabilities for which a Corporate Official or Corporate Employee might not be entitled to indemnification hereunder.

ARTICLE IX

MISCELLANEOUS

9.1 Amendment of Bylaws. The Executive Board shall not have the power to alter, amend or repeal these Bylaws or to adopt new Bylaws. The Members, at a meeting called for that purpose, shall have the sole power to alter, amend or repeal the Bylaws and to adopt new Bylaws by a majority of votes present at the meeting, if a quorum is present. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with applicable law, the Condominium Declaration or the Articles of Incorporation.

9.2 Compensation of Officers, Directors and Members. No Director shall have the right to receive any compensation from the Association for serving as a Director except for reimbursement of expenses as may be approved by resolution of disinterested members of the Executive Board. Officers, agents and employees shall receive such reasonable compensation as may be approved by the Executive Board except that no officer, director or employee of Declarant or of any affiliate of Declarant may receive compensation as an officer, agent, employee or Director. Appointment of a person as an officer, agent or employee shall not, of itself, create any right to compensation.

9.3 Books and Records. The Association shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its Membership, its Executive Board, and any committee having any of the authority of the Executive Board, and shall keep, at its principal office in Colorado, a record of the names and addresses of the Owners, and copies of the Condominium Declaration, the Articles of Incorporation and these Bylaws which may be purchased by any Owner at reasonable cost. All books and records of the Association, including the Articles of Incorporation, Bylaws as amended and minutes of meetings of the Owners and Directors, may be inspected by any Owner, or his agent or attorney, and any First Mortgagee of an Owner for any proper purpose at any reasonable time. The right of inspection shall be subject to any reasonable rules adopted by the Executive Board requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.

9.4 Annual Report. The Executive Board shall cause to be prepared and distributed to each Owner and to each First Mortgagee who has filed a written request therefor, not later than 90 days after the close of each fiscal year of the Association containing (a) an income statement reflecting income and expenditures of the Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year; (c) a statement of changes in financial position for such fiscal year; and (d) a statement of the place of the principal office of the Association where the books and records of the Association, including a list of names and addresses of current Owners, may be found.

9.5 Biennial Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, biennial Corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

9.6 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end the succeeding December 31 except that the first fiscal year shall begin on

the date of incorporation. The fiscal year may be changed by the Executive Board without amending these Bylaws.

9.7 Seal. The Executive Board may adopt a seal which shall have inscribed thereon the name of the Association and the words "SEAL" and "COLORADO."

9.8 Shares of Stock and Dividends Prohibited. The Association shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Owners, Directors or officers.

Notwithstanding the foregoing paragraph, the Association may issue certificates evidencing membership therein, may confer benefits upon its Membership in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law. No such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

9.9 Loans to Directors, Officers and Members Prohibited. No loan shall be made by the Association to its Owners, Directors or officers and any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

9.10 Limited Liability. As provided in the Condominium Declaration, the Association, the Executive Board, Declarant, and any member, agent or employee of any of the same, shall not be liable to any Person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

9.11 Minutes and Presumptions Thereunder. Minutes or any similar record of the meetings of Owners or of the Executive Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

9.12 Record of Mortgagees. Under the Condominium Declaration, First Mortgagees have certain rights. Therefore, any such First Mortgagee or, upon the failure of such First Mortgagee, any Owner who has created or granted a First Mortgage, shall give written notice to the Association, through its Manager, or through the Secretary in the event there is no Manager, which notice shall give the name and address of the First Mortgagee and describe the Unit encumbered by the First Mortgage. The Association shall maintain such information in a book entitled "Record of First Mortgages on Units." Any such First

Mortgagee or such Owner shall likewise give written notice to the Association at the time of release or discharge of any such First Mortgage.

9.13 Checks, Drafts, and Documents. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Executive Board.

9.14 Execution of Documents. The Executive Board, except as these Bylaws otherwise provide, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Executive Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of The Timbers on River Run Condominium Association, Inc., a Colorado corporation (the "Association"); and

2. The foregoing Bylaws, comprising ____ pages including this page, constitute the Bylaws of the Association duly adopted at the meeting of the Executive Board of the Association duly held on _____, 199__.

[SEAL]

Secretary
Date: _____

