Bylaws

Greens at Kissing Camels EstatesTownhomes Homeowners Association, Inc.

BYLAWS

OF

THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES

HOMEOWNERS ASSOCIATION, INC.

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BYLAWS
OF
THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC.

INTRODUCTION

These are the Bylaws of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. (the "Association"), a Colorado nonprofit corporation formed pursuant to that certain Declaration of Covenants, Conditions, Restrictions and Easements for the Greens at Kissing Camels Estates Townhomes, as amended or supplemented from time to time, which Declaration has been recorded in the records of the Clerk and Recorder of El Paso County, Colorado (the "Declaration"). The Property subjected to the Declaration from time to time is hereinafter referred to as the "Common Interest Community." The Association shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA"), and the Colorado Common Interest Ownership Act, as amended (the "Act").

ARTICLE 1 - DEFINITIONS

Section 1.1 Definitions. All terms used herein and not otherwise defined shall have the meanings set forth in the Declaration and in the CRNCA and the Act.

ARTICLE 2 - ASSOCIATION MEMBERSHIP

Section 2.1 Number of Memberships. There shall be one membership in the Association for each Townhome Lot (hereinafter "Lot") located within the Property.

Section 2.2 Qualification for Membership. Each Owner of a Lot shall be a Member of the Association and subject to these Bylaws. An Owner shall automatically be the holder of the membership appurtenant to such Owner's Lot, and the membership shall automatically pass with fee simple title to the Lot without any formal Association action. The Declarant shall hold one membership in the Association for each Lot owned by Declarant.

Section 2.3 Transfer of Membership Rights. Membership in the Association shall not be assignable separate and apart from fee simple title to a Lot, except that an Owner may assign some or all of the Owner's rights as an Owner and as Member of the Association to a contract purchaser, tenant or First Mortgagee, and may arrange for such Person to perform some or all of such Owner's obligations as provided in the Declaration, but no such delegation or assignment shall relieve an Owner from the responsibility for fulfillment of the obligations of an Owner under the Association Documents as defined in the Declaration. The rights acquired by any such contract purchaser, tenant or First Mortgagee shall be extinguished automatically upon termination of the First Mortgage, sales contract or tenancy. An assignment of rights by an Owner pursuant to this Section shall not be subject to any present or future statutory time limit for the duration of duly notarized proxy rights, but shall be in writing, and delivered to the Association before such Person shall be entitled to exercise any membership rights or privileges. All rights, title and privileges of membership shall be subject to the Association Documents as defined in the Declaration.

Section 2.4 Voting Rights of Members. One vote is allocated to each Lot, and Members shall have one vote for each Lot owned. If only one of several Owners of a Lot is present at a meeting of the Association, the Owner or Owners present is/are entitled to cast the vote allocated to that Lot. If more than one of the Owners is present, the vote allocated to the Lot

may be cast only in accordance with the agreement of a majority of the Owners of that Lot. Majority agreement exists if any one of the Owners casts the vote allocated to the Lot without prompt protest being made to the person presiding over the meeting by another Owner of the Lot, in which case the vote allocated to such Lot shall be counted as an abstention. The right to lodge protest shall be irrevocably and conclusively forfeited upon the adjournment of any meeting.

In the absence of express notice to the Secretary of the Association of the designation of a specific person to vote on behalf of an Owner other than a natural person or persons: (i) the vote of a corporation or limited liability company may be cast by an officer of that corporation or by the manager of the limited liability company; (ii) the vote of a limited liability limited partnership or a limited partnership may be cast by the general partner (or any general partner if there is more than one general partner); (iii) the vote of a general partnership may be cast by any general partner of the partnership, and (iv) the vote of a trust may be cast by the duly appointed trustee of the trust. The secretary of the meeting shall also have the discretion to require presentation at the meeting of reasonable evidence that a person voting on behalf of a corporation, limited liability company, limited liability limited partnership, limited partnership, general partnership, trust or any other type of entity recognized by Colorado law is duly authorized to vote on behalf of such Owner. If the secretary, in his sole discretion reasonably exercised, believes there is a genuine question as to such person's entitlement to vote on behalf of such an entity, the secretary shall be entitled to count the vote of such Owner as an abstention.

Members shall be entitled to vote only in connection with (i) the election of members of the Board of Directors (subject to the reserved rights of appointment described herein), (ii) such matters as may be referred to a vote of Members by the Board of Directors of the Association, (iii) such matters as these Bylaws may provide shall be voted upon by Members, and (iv), such other matters as may be required by the Declaration or by law to be voted upon by Members.

ARTICLE 3 - MEETINGS OF MEMBERS

Section 3.1 Annual Meeting. There shall be held an annual meeting of the Members of the Association at such time and on such day of each year as shall be fixed by the Board of Directors; provided, however, the initial annual meeting of Members shall be held during the month of July, 2003, on such day as may be fixed by the Board of Directors. Annual meetings of Members shall be held for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be held on the next succeeding business day.

Section 3.2 Special Meetings. Special meetings of the Members may be called at any time by the President, by a majority of the Board of Directors, or by Owners who have twenty percent (20%) of the votes in the Association.

Section 3.3 Meetings to Approve Annual Budget. At the annual meeting of the Members of the Association or at a special meeting of the Members of the Association called for such purpose, the Owners shall be afforded the opportunity to veto the budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Board of Directors. A summary of the proposed budget approved by the Board of Directors shall be mailed to the Owners with the notice of the meeting (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA). Unless a majority of all Owners reject the proposed budget, the budget is ratified. There shall be no quorum requirements for this meeting. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as a subsequent budget proposed by the Board of Directors is ratified by the Owners.

Section 3.4 Notice of Meetings. Written notice of each annual or special meeting shall be given by the Secretary of the Association by hand delivering, or by mailing prepaid by United States mail, a copy of such notice to the mailing address of each Lot, or to any other mailing address designated in writing by the Lot Owner, not less than ten (10) nor more than fifty (50) days in advance of such meeting. Such notice shall specify the place, day and hour of the meeting and the items on the agenda for such meeting, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. If mailed, such notice shall be deemed to be delivered on the date three (3) days after the date of deposit of the notice in the United States mail, proper postage prepaid. The certificate of the Secretary of the Association that notice was fully and properly given shall be prima facie evidence thereof. Meetings of Members shall be held at such place within El Paso County, Colorado as may be designated in the notice of meeting.

Section 3.5 Quorum. A quorum is deemed present throughout any meeting of the Members of the Association if persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present in person or by proxy at the beginning of the meeting. If the required quorum is not present or represented at any meeting called upon proper notice, the Members entitled to vote thereat shall have the power (repeatedly, if necessary) to adjourn the meeting to a time not less than twenty-four (24) hours thereafter, without notice other than announcement at the meeting, until a quorum of one-half (1/2) of that required at the immediately preceding meeting shall be present or be represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 3.6 Manner of Acting. Once a quorum is present at any meeting of Members, the affirmative vote of a majority of the persons entitled to cast votes for election of the Board of Directors and present in person of by proxy at the meeting at the time of the call for a vote shall be the act of the Members and shall be valid and binding upon the Association and all Lot Owners, unless the vote of a greater proportion or number is otherwise required by law or by the Declaration, Articles of Incorporation or these Bylaws. Voting on any question or in any election may be by voice vote unless the person presiding over the vote shall order or any Member shall demand that voting be by ballot.

Section 3.7 Proxies. At all meetings of Members, a Member may vote in person or by duly executed proxy. If a Lot is owned by more than one person, each Owner of the Lot may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable by actual notice of revocation to the person presiding over the meeting. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise, and terminates automatically upon conveyance by the Member of his or her Lot.

Section 3.8 Action Taken Without a Meeting. Any action required or permitted to be taken at any meeting of Members may be taken without a meeting, prior notice or a vote, if a consent in writing, setting forth the action so taken is signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 3.9 Voting by Mail. The Board of Directors of the Association may decide that voting of the Owners on any matter required or permitted by the Declaration, the Association

Documents or otherwise by law shall be by written ballot, in which case the Association shall proceed with the delivery and collection of written ballots in accordance with the provisions of the CRNCA. "Delivery" to the Owner of the ballot, and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.4 above. A written ballot, once received by the Association, may not be revoked, unless the Owner who has cast the ballot appears in person at a meeting convened to consider any one or more of the matters on the ballot.

Section 3.10 Participation by Electronic Means. Any or all Members may participate in an annual or special meeting of the Members by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear each other during the meeting. Such participation shall constitute presence in person at the meeting.

Section 3.11 Control by Declarant. Notwithstanding the foregoing, the Declarant has reserved the right to appoint and remove all officers and Directors of the Association for the Period of Declarant Control described in the Declaration.

ARTICLE 4 - BOARD OF DIRECTORS

Section 4.1 Number of Directors; Staggered Terms of Office. The Association shall be governed by a Board of Directors which shall initially consist of three (3) persons. The Board of Directors shall be divided into two classes, to be known as Class A and Class B Directors, respectively, each class to be as nearly equal in number as possible. The initial term of office of Class A Directors shall expire at the first annual meeting of the Board of Directors after their election, and that of Class B shall expire at the second annual meeting of the Board of Directors after their election. Thereafter, each Director shall hold office for a term of two (2) years, or until his earlier death, resignation or removal as hereinafter provided.

The number of Directors may be increased or decreased by amendment to these Bylaws; provided, however the number of Directors shall be not less than one (1) nor more than five (5), and shall always be an odd number. In the case of any subsequent increase in the number of Directors, the additional Directors shall be so classified that all classes of Directors, if any, shall be increased equally, or as nearly as may be possible, and the additional Directors shall be elected as may be provided in the Bylaws. In the case of any decrease in the number of Directors, all classes of Directors, if any, shall be decreased equally, or as nearly as may be possible. No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. In the event the total number of Directors in office falls below the number required by these Bylaws, the Board will nonetheless be considered properly constituted until such vacancies are filled.

Section 4.2 Qualifications. Except for Declarant-appointed members, only Owners, eligible to vote and otherwise in good standing, may be elected or appointed to the Board of Directors. Board members appointed by the Declarant need not be Members of the Association or Owners of a Lot in the Common Interest Community. Directors shall be natural persons at least eighteen (18) years old, but need not be residents of the State of Colorado.

Section 4.3 Board Chair. The Directors may elect a Chairperson from among their number, who shall preside at all meetings of the Members of the Association and of the Board of Directors, and who shall have such other powers and duties as may be prescribed from time to time by the Board of Directors.

Section 4.4 Resignations. Any Director may resign at any time by giving written notice of such resignation to the Board of Directors, the President or the Secretary of the Association. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer.

Section 4.5 Removal. Upon proper notice as required by these Bylaws, the entire Board of Directors or any lesser number of Directors may be removed, with or without cause, by a two-thirds (2/3rds) vote of the Members of the Association entitled to vote at an election of Directors; provided, however, a member of the Board of Directors appointed by the Declarant during the Period of Declarant Control may only be removed by the Declarant.

Section 4.6 Compensation. No Director shall receive compensation for his services as a Director. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties as a Director. A Director may be an employee of the Association, or may perform other services for the Association, but he shall receive only fair and reasonable compensation as an employee or for such services.

Section 4.7 Vacancies. In the event a vacancy shall occur or be created on the Board of Directors as a result of the death, resignation or removal of an elected Director, or due to any increase in the number of elected Directors, a successor or new Director shall be selected by the remaining members of the Board (even though less than a quorum) and shall serve for the unexpired term of his predecessor, if any, or until the next annual or special meeting of Members. In the event a vacancy shall occur or be created on the Board of Directors as a result of the death, resignation or removal of a Director appointed by the Declarant, or due to any increase in the number of Directors appointed by the Declarant, a successor or new Director shall be appointed by the Declarant and shall serve for the unexpired term of his predecessor, if any, or until otherwise determined by the Declarant.

ARTICLE 5 - APPOINTMENT/ELECTION OF DIRECTORS

Section 5.1 Appointment. The Declarant shall be entitled to appoint the members of the Board of Directors during the Period of Declarant Control described in the Declaration.

Section 5.2 Nomination and Election. Upon the expiration or termination of the Period of Declarant Control, the Members of the Association shall be entitled to elect the members of the Board of Directors. The Board of Directors may appoint a Nominating Committee to make nominations for candidates for election to the Board of Directors, and nominations may also be made from the floor at the meeting of Members at which the election is to occur. At such meeting the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the CRNCA for conducting the elections.

Section 5.3 Election. The persons receiving the largest number of votes of Members shall be elected to the available Board positions. Cumulative voting shall not be permitted.

ARTICLE 6 - MEETINGS OF DIRECTORS

Section 6.1 Annual Meeting. An annual meeting of the Board of Directors shall be held, without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of Members.

Section 6.2 Regular Meetings. The Board of Directors may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meetings without other notice than such resolution.

Section 6.3 Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board of Directors called by them.

Section 6.4 Notice of Special Meetings. Written notice of any special meeting of the Board of Directors shall be given: (i) by mail to each Director at his business address at least three (3) days prior to the meeting; or (ii) by personal delivery or telegram at least twenty-four (24) hours prior to the meeting to the business address of each Director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting, and the presence of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director is present at a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6.5 Open Meetings. To the extent required by law, all regular and special meetings of the Board of Directors of the Association, or any committee thereof, shall be open to attendance by all Members or their representatives; provided, however, the members of the Board of Directors or any committee thereof may hold an executive or closed-door session, and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive or closed-door session shall include only matters pertaining to: (i) employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association; (ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (iii) investigative proceedings concerning possible or actual criminal misconduct; (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

Prior to the time the members of the Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated above. No rule or regulation of the Board or any committee thereof shall be adopted during an executive or closed-door session. A rule or regulation may be validly adopted only during an annual or regular or special meeting or after the body goes back into regular session following an executive session. The minutes of all meetings at which an executive or closed-door session was held shall indicate that an executive or closed-door session was held, and the general subject matter of the session.

Section 6.6 Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if a majority of the Directors in office immediately prior to the meeting are present at the beginning of the meeting.

Section 6.7 Manner of Acting. The Directors shall in all cases act as a Board and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he shall affirmatively dissent to such action at such meeting. For purposes of this Article 6, the term "present" shall include attendance in person, by proxy (as described below), via telephonic or other electronic means, via "real time" e-mail or, in the case of written consents, by providing written response on or before the date responses are due as set forth in the written consent

Section 6.8 Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director shall be deemed to be "present" at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section or otherwise by law, Directors may not vote or otherwise act by proxy.

Section 6.9 Action Taken Without a Meeting. Any action required to be taken or which may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a majority of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6.10 Participation by Electronic Means. Any or all members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by, or the meeting may be conducted through the use of, any means of communication by which all persons participating in the meeting may hear, or communicate with each other on a real-time basis, during the meeting. Such participation shall constitute presence in person at the meeting.

ARTICLE 7 - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 General Powers. The Board of Directors shall serve as the executive board of the Association for purposes of the Act, as amended from time to time. Except as may otherwise be provided in the Association Documents or by applicable law, the Board of Directors may and shall act in all instances on behalf of the Association, and is authorized and empowered, and shall have the duty and all powers necessary, to manage all of the business and affairs of the Association. Notwithstanding the foregoing, the powers and duties of the Board of Directors shall include, by way of illustration and not limitation, the power and duty to:

(a) adopt and amend these Bylaws and adopt, amend and repeal rules and regulations governing, among other things, use, conduct and maintenance;

(b) adopt and amend budgets for revenues, expenditures and reserves (as a part of the adoption of the regular budget it is expected the Board of Directors of the Association may include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for such matters as they may deem reasonable and appropriate, including contingent liabilities and maintenance, repair and/or replacement of improvements to the Common Area);

(c) collect Assessments from Owners;

(d) suspend the voting interests allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which a Owner is in violation of any other provision of the Association Documents;

(e) hire and discharge managing agents;

(f) hire and discharge employees, independent contractors and agents other than managing agents;

(g) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Association Documents in the Association's name, on behalf of the Association or on behalf of two or more Owners in matters affecting the Common Interest Community;

(h) make contracts and incur liabilities;

(i) regulate the use, maintenance, repair, replacement and modification of all property within the Community;

(j) cause additional improvements to be made as a part of the Common Elements;

(k) acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act;

(l) grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions, through or over the Common Elements;

(m) impose and receive, on behalf of the Association, a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements;

(n) establish from time to time, and thereafter impose, charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the Association Documents;

(o) impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid Assessments;

(p) provide for the indemnification of the Association's officers and members of the Association's Board of Directors to the extent provided by law, provide for the indemnification of committee members to the extent the Board deems just and reasonable and maintain Directors' and officers' liability insurance;

(q) declare the office of a member of the Board to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Board during any one year period;

(r) appoint any committee as required or permitted by the Declaration or these Bylaws or as may be deemed appropriate by the Board to carry out its purposes and duties, and by resolution, establish committees, permanent and standing, to perform any of the above

functions under specifically delegated administrative standards as designated in the resolution establishing the committee;

(s) by resolution, set forth policies and procedures which shall be considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by the Act to be "otherwise set forth in the Bylaws" (and such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws);

(t) exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, the Act, or the CRNCA;

(u) exercise any other power necessary and proper for the governance and operation of the Association; and/or

(v) exercise any other power that may be exercised in the state by a legal entity of the same type as the Association.

Notwithstanding the foregoing, the Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate the common interest community established by the Declaration, to elect members of the Board of Directors (other than appointing a Director in the event of a vacancy) or to determine the qualifications, powers, duties or terms of office of Directors.

Section 7.2 Manager. The Board may employ a Manager for the Common Interest Community, at a compensation established by the Board. The Board may delegate to such Manager, to the extent provided in the authorizing resolution, any one or more of its rights, powers, duties, obligations and/or responsibilities, including authorization to sign licenses, concessions and contracts. In the event of any such delegation, no member of the Board, and no officer of the Association, shall have any liability for any act or omission of a Manager with respect to any such duty, power or function so delegated by written instrument executed by or on behalf of the Board. The Board shall comply with the provisions of C.R.S. §38-33.3-306(3)(a), to the extent applicable.

Section 7.3 Delegation to Master Association; Cross Assessments. The Association is obligated to cooperate with and assist Kissing Camels Property Owners Association (hereinafter the "Master Association") in the performance of its duties and obligations under its governing documents, and it is contemplated that from time to time each of the Association and the Master Association (and/or the association of another community or project within Kissing Camels Estates) may use the services of the other in the furtherance of its respective obligations and to provide its services in a more efficient and economical manner. In such event, payment for services rendered may be budgeted for and/or collected through Assessments by the Association and remitted to the Master Association, or vice versa. In furtherance of the foregoing, the Board of Directors may delegate any one or more of its rights, powers, duties, obligations and/or responsibilities, and/or any one or more of the rights, powers, duties, obligations and/or responsibilities of the Association, to the Master Association as the Board may specify by resolution and as the Executive Board of the Master Association may accept from time to time, including the power to adopt and amend budgets for revenues, expenditures and reserves and collect Assessments for Common Expenses from Owners. In the event of any such delegation, no member of the Board, and no officer of the Association, shall have any liability for any act or omission of the Master Association, or its officers or Executive Board members, with respect to

any such duty, power or function so delegated by written instrument executed by or on behalf of the Board.

Section 7.4 Delegation to Committees. The Board of Directors may designate and appoint an executive committee, architectural control committee and/or one or more other committees as deemed appropriate by the Board in carrying out its duties and functions. Each such committee shall consist of at least one (1) Director and, to the extent provided in the authorizing resolution or in the Association's Articles of Incorporation or in these Bylaws, shall have all the authority of the Board of Directors, except that no such committee shall have the authority of the Board of Directors in reference to: (i) amending, altering or repealing these Bylaws; (ii) electing, appointing or removing any member of any such committee or any officer or Director of the Association; (iii) amending or restating the Association's Articles of Incorporation; (iv) adopting a plan of merger or adopting a plan of consolidation with another corporation; (v) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Association; (vi) authorizing the voluntary dissolution of the Association or revoking proceedings therefor; (vii) adopting a plan for the distribution of the assets of the Association; or (viii) amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director of any responsibility imposed upon him by law.

Section 7.5 Performance of Duties; Standard of Care. A Director of the Association shall perform his duties as a Director, including his duties as a member of any committee of the Board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances; provided, however, if a Director is appointed by the Declarant, the Director shall be required to exercise the care required of fiduciaries of the Owners. In performing his duties, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed below in subparagraphs (a), (b), and (c) of this Section; but he shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted. If not appointed by the Declarant, no Director shall be liable for actions taken or omissions made in the performance of such Director's duties except for wanton and willful acts or omissions. Those persons and groups on whose information, opinions, reports, and statements a Director is entitled to rely upon are:

(a) One or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional or expert competence; or

(c) A committee of the board upon which he does not serve, duly designated in accordance with the provision of the Articles of Incorporation or these Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

ARTICLE 8 - OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Officers. The officers of the Association shall be a President, a Secretary and a Treasurer, who shall at all times be members of the Board of Directors. In addition, there may be appointed/elected an assistant secretary, assistant treasurer, vice president(s) and such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 8.2 Election/Appointment of Officers. The Declarant shall be entitled to appoint the officers of the Association during the Period of Declarant Control described in the Declaration. Upon the expiration or termination of the Period of Declarant Control, the Board of Directors of the Association shall be entitled to elect the officers of the Association.

Section 8.3 Term. The officers of the Association shall be appointed/elected annually for a term of one (1) year, unless he shall sooner die, resign or be removed, or shall be otherwise unqualified to serve.

Section 8.4 Resignation and Removal. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice, or at any later time specified therein, and unless otherwise specified therein. The acceptance of such resignation shall not be necessary to make it effective. Any officer may be removed from office with or without cause by the Board of Directors or by his appointing authority whenever in the Board of Director or such appointing authority determines, in its judgment, that the best interests of the Association will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed; provided, however, election or appointment of an officer or agent shall not of itself create contract rights.

Section 8.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the appointing authority during any Period of Declarant Control, and may otherwise be filled by the Board of Directors, in either event for the unexpired portion of the term.

Section 8.6 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 8.7 Duties. The duties of the officers are as follows:

PRESIDENT. The President shall be the chief executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, and in the absence of a duly elected Chairperson of the Board, preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, amendments to the Declaration, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. The President shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

VICE PRESIDENTS. If appointed by the Board of Directors, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their appointment, or in the absence of any designation, then in the order of their appointment) shall, in the absence of the President or in the event of his death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, such documents or instruments which the Board of Directors has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. A Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECRETARY. The Secretary shall: (i) keep the minutes of the proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; (iv) keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; (v) sign, with the President or any other proper officer of the Association thereunto authorized by the Board of Directors, amendments to the Declaration and such other documents and instruments which the Board of Directors has authorized be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and (vi) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

TREASURER. The Treasurer shall: (i) have charge and custody of, and be responsible for, all funds of the Association; (ii) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these Bylaws; and (iii) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

ASSISTANT SECRETARIES, ASSISTANT TREASURERS AND OTHER OFFICERS OR APPOINTEES. If appointed by the Board of Directors the Assistant Secretaries, Assistant Treasurers and other appointees of the Board of Directors of the Association shall perform such duties as shall be assigned to them by the Board of Directors.

Section 8.8 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with the provisions of the Act. The amount of the fee for preparing statements of unpaid assessments and the time of payment shall be established by resolution of the Board of Directors. Any unpaid fees may be assessed as a Common Expense Assessment against the Lot for which the certificate or statement is furnished.

Section 8.9 No Delegation of Duties. Except as otherwise provided herein or as expressly authorized by the Board of Directors, no officer may delegate any of his powers or duties to any other person.

Section 8.10 Performance of Duties. An officer of the Association shall perform his duties as such in good faith, in a manner he reasonably believes to be in the best interests of the Association, and with such care as an ordinarily prudent person in a like position would use under similar circumstances; provided, however, if an officer is appointed by the Declarant, the officer shall be required to exercise the care required of a fiduciary of the Owners.

Section 8.11 Bonds of Officers. If the Board of Directors shall so require, any officer or agent of the Association shall provide a bond to the Association in such amount and with such surety as the Board of Directors may deem sufficient, assuring the faithful performance of their respective duties and offices.

Section 8.12 Compensation. No officer shall receive compensation for his services as an officer. However, an officer may be reimbursed for his actual expenses incurred in the performance of his duties as an officer. An officer may be an employee of the Association, or may perform other services for the Association, but he shall receive only fair and reasonable compensation as an employee or for such services.

ARTICLE 9 - NO STOCK OR DIVIDENDS

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 Members, Directors or officers, except to the extent (i) the Association shall be authorized and empowered to pay reasonable compensation for services rendered and/or make payments and distributions in furtherance of its corporate purposes, or (ii), permitted by the Colorado Nonprofit Corporation Act and I.R.C. § 528 or comparable provision of the Code.

ARTICLE 10 - LOANS TO DIRECTORS AND OFFICERS PROHIBITED

No loans shall be made by the Association to its 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 repayment thereof.

ARTICLE 11 - CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 11.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances. Contracts or other commitments made by the Board of Directors, officer(s) or any managing agent of the Association shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

Section 11.2 Loans. No loans or advances shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 11.3 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 11.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE 12 - ENFORCEMENT

Section 12.1 Abatement and Enjoinment of Violations by Owners. The violation of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents, after notice and an opportunity to be heard (except in case of an emergency when no notice is required):

(a) To enter the Lot or any Limited Common Area in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Common Are contrary to the intent and meaning of the provisions of the Association Documents, and the Board shall not be deemed liable for any manner of trespass or damage by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 12.2 Fines for Violation. The Board may adopt resolutions providing for fines or other monetary penalties for the infraction of the Association Documents. Fines will be levied after notice thereof and an opportunity to be heard. The Board may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each such violation, including those violations which persist after notice and an opportunity for a hearing is given.

Section 12.3 Forfeiture of Voting Rights. The violation of any provision of the Association Documents shall give the Board of Directors the additional right, in addition to any other rights set forth in the Association Documents, after notice and an opportunity to be heard, to suspend the voting rights of an Owner or Member.

ARTICLE 13 - BOOKS AND RECORDS

Section 13.1 Records and Audits. The Association shall maintain financial records. The cost of any audit or review shall be a Common Expense unless otherwise provided in the Declaration or by law.

Section 13.2 Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Owner or by any of their duly authorized representatives, at the expense of the person examining the records, during normal business hours and after reasonable notice in accordance with the CRNCA and the Act.

Section 13.3 Records. The Association shall keep at its principal or registered office the following records:

(a) An account for each Lot, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Lot, the amount of each Common Expense Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;

(b) The current operating budget;

(c) A record of insurance coverage provided for the benefit of Owners and the Association;

(d) Tax returns for state and federal income taxation;

(e) Minutes of proceedings of incorporators, Owners, Board and its committees, and waivers of notice;

(f) A copy of the most current versions of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Board, along with their exhibits and schedules; and

(g) Such other records the Board shall determine from time to time are necessary or desirable.

ARTICLE 14 - CORPORATE 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 and year of incorporation and the words "CORPORATE SEAL".

ARTICLE 15 - WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation or the Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE 16 - FISCAL YEAR

The Board of Directors of the Association shall establish the fiscal year of the Association, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE 17 - INTERPRETATION IN THE EVENT OF INCONSISTENCY

Section 17.1 Conflicts Between Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

Section 17.2 Conflicts Between Laws. In the case of any conflict between the provisions of the Act and the provisions of the CRNCA, the provisions of the Act shall control.

ARTICLE 18 - MISCELLANEOUS

Section 18.1 Notices to Association. All notices to the Association or the Board shall be delivered to the office of the Manager or, if there is no Manager, to the office of the Association, or to such other address as the Board may designate by written notice to Owners. If mailed, such notice shall be deemed to be delivered on the date three (3) days after the date of deposit of the notice in the United States mail, proper postage prepaid.

Section 18.2 Waivers of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation or the Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.

Section 18.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason or any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 18.4 Office. The principal office of the Association shall be within the Common Interest Community or at such other place as the Board may from time to time designate.

ARTICLE 19 - AMENDMENT

Section 19.1 Amendment. These Bylaws may be amended by a two-thirds (2/3rds) vote of the Board of Directors of the Association. In addition, these Bylaws may be amended by a two-thirds (2/3rds) vote of the Members of the Association entitled to vote at an election of Directors; provided, however, no amendment may be made by Members without the concurrence of a majority of the Board of Directors of the Association. In addition, during any Period of Declarant Control, no amendment may be made to these Bylaws without the concurrence of the Declarant.

Section 19.2 Rights of Mortgagees. No amendment of these Bylaws shall be adopted which would impair the validity or priority of any mortgage or deed of trust encumbering any Lot.

Section 19.3 Limitation. Notwithstanding the foregoing provisions, the provisions of these Bylaws shall at all times comply with the requirements of the Act, the CRNCA and other applicable laws of the State of Colorado.

IN WITNESS WHEREOF, the undersigned Secretary of **THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**, has hereunto set his hand effective FEBRUARY 10, 2003.

_____, Secretary

CERTIFICATION

The undersigned, duly elected and acting Secretary of **THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**, a Colorado nonprofit corporation (the "Association"), hereby certifies that the foregoing Bylaws consisting of SEVENTEEN (17) pages, including this page, constitute the Bylaws of the Association, duly adopted by its Board of Directors as of FEBRUARY 10, 2003 and the same are the true and correct Bylaws of the Association, and the same are now in full force and effect and have not been amended or revoked in any manner.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Association this 10TH day of FEBRUARY, 2003.

(SEAL)

_____, Secretary