

30
original do NOT remove

**AMENDMENT TO BYLAWS
OF
MORAINÉ TOWNHOME ASSOCIATION
(A Nonprofit Corporation)**

THIS FIRST AMENDMENT to the Bylaws of the Moraine Townhome Association, a Nonprofit Corporation ("Amended Bylaws") is made effective upon the adoption by the Board of Managers of the Moraine Townhome Association and the unanimous consent of the voting Members of the Association.

WITNESSETH

WHEREAS, on the 21st day of March, 1981, the Moraine Townhome Association ("Association") was incorporated under the laws of the State of Colorado as a Nonprofit Corporation for the purpose of maintaining, administering and enforcing the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes, as amended from time to time ("Declaration") collecting and disbursing the assessments and charges created therein, and preserving and maintaining the Common Open Spaces and other Common Facilities, as defined and described therein; and

WHEREAS, thereafter the Bylaws of the Moraine Townhome Association ("Bylaws") were adopted by the Association in accordance with said Declaration aforesaid; and

WHEREAS, on the 1st day of DECEMBER, 1998, these Amended Bylaws were approved and adopted by unanimous consent of the Board of Managers of the Moraine Townhome Association; and

WHEREAS, in accordance with C.R.S. §7-127-107, the Members entitled to vote, by unanimous consent, have approved and adopted these Amended Bylaws; and

WHEREAS, it is hereby concluded that for purposes of amending these Bylaws, the term "Owners" as used in Article IX means Owners of improved sites who are subject to assessments, who are the only Members of the Association, and who are therefore the only Owners entitled to vote.

NOW, THEREFORE, the Bylaws are hereby amended as set forth hereafter:

The Bylaws of Moraine Townhome Association, A Nonprofit Corporation, are hereby deleted in their entirety and the following is inserted in its place:

**FIRST AMENDED BYLAWS
OF
MORAINÉ TOWNHOME ASSOCIATION**

(A Nonprofit Corporation)

ARTICLE I PLAN FOR UNIT OWNERSHIP

Section 1. Bylaws Applicability: The provisions of these Amended Bylaws are applicable to the Properties as defined in the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes. As used in these Amended Bylaws, "Phase I" shall mean Lots 21-33, as shown on the Amended Plat of MORaine TOWNHOMES, a subdivision of Block One, Sky Harbor Subdivision, filed on the 20th day of March, 1981, File No. 8801 of the records of Routt County, Colorado ("Plat"). Phase I was constructed in 1981. "Phase II" shall mean Lots 1-20 and 34-64, as shown on the Plat. Phase II has not yet been constructed.

Section 2. Definitions. Terms used but not defined herein shall have the meaning set forth in the Declaration, except that "Member" shall mean an owner of a Lot in Phase I or Phase II which has been improved by construction of a dwelling thereon and whose Lot is subject to Assessment.

Section 3. Personal Application: All present or future Owners, tenants, future tenants, or their employees, or any other persons that might use the facilities of the properties in any manner, are subject to the regulations set forth in these Amended Bylaws.

The mere acquisition or rental of any of the Townhomes within the Properties or the mere act of occupancy of any of said Townhomes will signify that these Amended Bylaws are accepted, ratified, and will be complied with.

ARTICLE II OFFICES AND SEAL

Section 1. Offices: The office of the Association shall be at Steamboat Springs, Colorado. The fiscal year of the Association shall conclude on September 30 in each year.

Section 2. Seal: The seal of the corporation shall bear the name "**Moraine Townhome Association**" and the word "**Colorado**" encircling the word "**Seal.**"

ARTICLE III MEMBERS' MEETINGS, VOTING, MAJORITY OF MEMBERS, QUORUM, PROXIES

Section 1. Annual Meeting: The annual meeting of Members shall be held at Steamboat Springs, Colorado, on a date set by the Board in each year for the purpose of electing Managers and transacting any other business authorized by the Members. The day set for such meeting shall not be a legal holiday.

Section 2. Notice: Notice of all Members' meetings, stating the time and place, the objects for which the meeting is called, shall be given by the President or Vice President or Secretary unless waived in writing. Such notice shall be in writing to each Member at his address as it appears on the books of the Association and shall be mailed not less than twenty (20) days nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by the affidavit of the person giving the notice. Notice of meeting may be waived before or after meetings.

Section 3. Quorum: A quorum shall be constituted by 20% of the Members being present in person or by proxy, at a Members' Meeting. An affirmative vote of a majority of the Members being present, either in person or by proxy, assuming a quorum to be present, shall be required to transact business.

Section 4. Voting: The Townhome Declaration of Covenants, Conditions and Restrictions for Moraine Townhomes, recorded on March 20, 1981, in Book 529, Page 506 of the records of the Routt County Clerk and Recorder, originally provided for two classes of Members. Class A Members are all Members who own an improved Site. The only possible Class B Member is Declarant. Class B Membership terminated by the terms of the Declaration and the Bylaws on December 31, 1985.

In any meeting of Members, the Class A Members shall be entitled to cast one vote.

If a Townhome is owned by more than one person, the Members shall designate one of the Members to represent and vote on behalf all of the Members of the Townhome.

If a Townhome is owned by a partnership or joint venture, then each of the general partners or joint venturers shall be entitled to cast that proportionate number of the votes to which their particular class is entitled for each Lot owned by such partnership or joint venture, which proportion shall be based upon their respective interests in the general partnership or joint venture.

If a Townhome is owned by a corporation, the person entitled to cast the vote for the Townhome shall be designated by a Certificate of Appointment signed by the President or Vice President and attested by the Secretary or Assistant Secretary of the said corporation and filed with the Secretary of the Association. Such Certificate of Appointment shall be valid until revoked or until suspended by a subsequent certificate or until a change in the ownership of the Townhome concerned.

No person or entity other than a Member may be a regular Member of the Association. Cumulative voting is prohibited.

Section 5. Proxies: Votes may be cast in person or by proxy. Proxies may be made by any person entitled to vote. They shall be valid only for the particular meeting designated and must be filed with the Secretary before the appointed time of the meeting.

Section 6. Order of Business: The order of business at annual Members' Meetings, as far as practical at all other Members' Meetings, shall be:

- (a) Election of chairman of the meeting.
- (b) Calling of the rolls and certifying of proxies.
- (c) Proof of notice of meeting or waiver of notice.
- (d) Reading and disposal of any unapproved minutes.
- (e) Reports of officers.
- (f) Reports of committees.
- (g) Election of inspectors of elections.
- (h) Election of Managers (if necessary).
- (i) Unfinished business.
- (j) New business.
- (k) Adjournment.

Section 7. First Board of Managers: Until 75% of the sites are conveyed, or December 31, 1985, whichever event occurs first, as described in Article XII of the Declaration, the designation and election of the Board of Managers of the Association shall, at the option of the Declarant, its successors or assigns, be exercised by Declarant, its successor or assigns. When 75% of the sites have been conveyed, or December 31, 1985, whichever event occurs first, Declarant shall give written notice of same to all Members and shall call a special meeting for the purpose of electing Members of the Board of Managers. Said special meeting shall be held not later than two months subsequent to the conveyance of 75% of the sites or December 31, 1985, whichever first occurs.

Section 8. Special Meetings: It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Managers, or upon a petition signed by a majority of the Members and having been presented to the Secretary. The notice of any special meetings shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice, unless one hundred percent (100%) of the Members entitled to vote are present, in person or by proxy, and all agree to transact other business as may be proposed.

ARTICLE IV BOARD OF MANAGERS

Section 1. Number and Qualifications: The affairs of the Association shall be managed by a Board of five (5) members, all of whom must be Members or designated persons of a Corporate Member. No fees or salary shall be paid to members of the Board of Managers.

Section 2. Election of Managers: Election of Managers shall be conducted at the annual Members' Meeting. A nominating committee of three (3) Members shall be appointed by the Board of Managers not less than sixty (60) days prior to the annual Members' Meeting. The committee shall nominate one (1) person for each vacant manager position. Additional nominations for

Managers may be made from the floor. The election shall be by ballot (unless dispensed with by unanimous consent) and by a plurality of the votes cast, each person voting being entitled to cast his vote for each of as many nominees as there are vacancies to be filled. There shall be no cumulative voting.

TIL
ALOTS =
42
AS 1 = 13
PH 2 = 29

There shall be two classes of managers. "Class A" Managers shall be selected among Phase I Members and "Class B" Managers shall be selected among Phase II Members. Ultimately, after all of the Lots of Phase II have become improved, there shall be two (2) Class A Managers and three (3) Class B Managers. The terms of office of the Managers shall be staggered. Each Manager shall serve five (5) year terms, except that at the next annual meeting of Member in 1999, one (1) Manager shall be selected for a term of one (1) year, one (1) Manager shall be elected for a term of two (2) years, one (1) Manager shall be elected for a term of three (3) years, one (1) Manager shall be elected for a term of four (4) years and one (1) Manager shall be elected for a term of five (5) years. Until at least one-third of the Lots in Phase II have become improved by construction of dwellings thereon, all of the Managers shall be Class A Managers. When at least one-third of the Lots in Phase II have become improved by construction of dwellings thereon, then the Manager to be elected at the next succeeding annual meeting of Members, and the successors to such Manager, shall be a Class B Manager. When at least two-thirds of the Lots in Phase II have become improved by construction of dwellings thereon, then the Manager to be elected at the next succeeding annual meeting of Members, and the successors to such Manager, shall be a Class B Manager. When all of the Lots in Phase II have become improved by construction of dwellings thereon, then the Manager to be elected at the next succeeding annual meeting of Members, and the successors to such Manager, shall be a Class B Manager. Notwithstanding the previous two sentences, in no event shall a Class B Manager position be elected two years in a row, but an election of a Class B Manager shall alternate with an election of a Class A Manager from year to year after all of the Lots in Phase II have become improved. Every Manager elected to replace an existing Manager or fill a vacancy from an existing Manager shall belong to the same Class (either Class A or Class B) as the Manager he or she replaces. 18 19

Each Manager shall hold office until the selection and qualification of his successor or until he is removed in the manner elsewhere provided.

Section 3. Vacancies: Except as to vacancies provided by removal of Managers by Members, vacancies on the Board of Managers occurring between annual meetings of Members shall be filled by the remaining Managers, and from the same class of managers as the former manager prior to the vacancy.

Section 4. Removal: Any Manager may be removed by concurrence of two-thirds (2/3) of the votes of the Members at a special meeting of the Members called for that purpose. The vacancy in the Board of Managers so created shall be filled by the Members at the same meeting and from the same class of managers as the removed Manager. Any Manager who is no longer a Member shall immediately be removed from his position as Manager. If such vacancy occurs because of non-ownership, then such vacancy shall be filled by the remaining Managers.

ARTICLE V
BOARD OF MANAGERS

Section 1. Powers and Duties: The Board of Managers shall have the powers and duties necessary to the administration of the affairs of the Association existing under the Declaration, the Articles of Incorporation, and these Amended Bylaws, and the same shall be exercised exclusively by the Board of Managers, its agents, contractors or employees, subject only to approval by Members when such is specifically required. The Board of Managers may enter into contracts for the management of the project. The Board of Managers shall not enter into the business of renting Townhomes.

Section 2. Other Duties: In addition to duties imposed by these Amended Bylaws or by resolution of the Association, the Board of Managers shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Common Open Space, Limited Common Open Space, association facilities, and other properties as provided in the Declaration.
- (b) Collection of assessments from the Members.
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the properties and the Common Open Space and facilities, and other properties as provided in said Declaration.

Section 3. Management Agent: It is in the best interest of the Association for Phase I and Phase II to contract with the same Management Agent to ensure consistent management of the common areas and rental management services. Therefore, the Board of Managers may employ for the Association one Management Agent at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including but not limited to, the duties listed in Section 2 of this Article. Such Management Agent shall be the only agent permitted to contract for or provide rental management services (including check-in, check-out, and transportation) within Phase I and Phase II. The Board shall take all steps necessary to enjoin any other rental management agent from acting in that capacity in Phase I or Phase II. The present Management Agent shall continue to be the Management Agent until otherwise determined by the Board of Managers.

Section 4. Organizational Meetings: The first meeting of a newly elected Board of Managers shall be held immediately after the Members' Meeting if all the new Board Members are present and, if not, within ten (10) days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and written notice shall be necessary to the newly elected Managers in order legally to constitute such meeting.

Section 5. Regular Meetings: Regular meetings of the Board of Managers shall be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least tow (2) such meetings shall be held during each fiscal year. Notice of regular meetings of

the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

Section 6. Special Meetings: Special meetings of the Board of Managers may be called by the President on ten (10) days notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least three (3) Managers.

Section 7. Waiver of Notice: Any Manager may waive notice of a meeting before or after the meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 8. Board of Managers Quorum: A quorum at Managers' Meetings shall consist of the majority of the entire Board of Managers. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board of Managers, except where approval by a greater number of Managers is required by the Declaration, the Articles of Incorporation or these Amended Bylaws. If, at any meeting of the Board of Managers, less than a quorum is present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At any adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice. The joinder of a Manager in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Manager for the purpose of determining a quorum.

Section 9. Fidelity Bonds: The Board of Managers may require that all officers and employees of the Association handling or responsible for Association funds furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

Section 10. Presiding Officer: The presiding officer of Managers' Meetings shall be the President. In the absence of the presiding officer, the Managers present shall designate one of their number to preside.

Section 11. Order of Business: The order of business at Managers' Meetings shall be:

- (a) Calling of roll.
- (b) Proof of due notice of meeting.
- (c) Reading and disposal of any unapproved minutes.
- (d) Reports of officers and committees.
- (e) Election of officers.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

Section 12. Form of Board Action: Any one or more members of the Board may participate in a meeting of the Board members by means of a conference telephone or similar communications equipment allowing all persons in the meeting to hear each other at the same time. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action. Any such resolution and the written consents thereto shall be filed with the minutes of the proceedings of the Board.

ARTICLE VI OFFICERS

Section 1. Designation: The principal officers of the Association shall be a President, a Vice President and a Secretary-Treasurer, all of whom shall be elected by and from the Board of Managers. The Managers may appoint an Assistant Treasurer, and an Assistant Secretary, and such other officers as in their judgment may be necessary.

Section 2. Election of Officers: The officers of the Association shall be elected annually by the Board of Managers at the Organizational Meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold two (2) or more offices except that the President shall not also be the Secretary or an Assistant Secretary. The Board of Managers may from time to time elect other officers to exercise such powers and duties as the Board shall find to be required to manage the affairs of the Association. Compensation of officers, if any, shall be fixed by the Board of Managers and shall be approved by 100% of the Members. The President and Vice President shall be Members of the Association.

Section 3. Removal of Officers: Upon an affirmative vote of the majority of the Members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

Section 4. President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Members as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President: The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board of Managers shall appoint some other Member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers. If the President is an Owner in Phase I, then the Vice President shall be an Owner in Phase II, and vice versa, after at least one-third of the Lots in Phase II have been improved by construction of a dwelling thereon.

Section 6. Secretary-Treasurer: The Secretary-Treasurer shall keep the minutes of all proceedings of the Managers and the Members. He shall attend to the giving and service of all notices to the Members and Managers and other notices required by law. He shall have custody of the seal of the Association and affix the same to instruments requiring its seal when duly signed. He shall keep the records of the Association, and shall perform all other duties incident to such office as may be required by the Managers or the President. In addition, the Secretary-Treasurer shall have custody of all property of the Association, including funds, securities, and evidence of indebtedness. He shall keep the books of the Association in accordance with good accounting practice and shall perform all other duties incident to the office.

ARTICLE VII ACCOUNTING

Section 1. Accounts: The funds and expenditures of the Association shall be credited and charged to account as provided in Article XVI, Paragraph 2 of the Declaration.

Section 2. Budget: The Board of Managers shall adopt a budget for each fiscal year which shall include the estimated funds required to defray expenses as set forth in Article XVI, Paragraph 2 of the Declaration. Copies of the budget and the proposed assessments shall be transmitted to each Member within sixty (60) days of the date that such budget has been adopted. If the budget is subsequently amended, a copy of the amended budget shall be furnished to each Member.

Section 3. Real and Personal Property for Common Use: The Association may contract for services or may acquire and hold for the benefit of the Members any real, tangible and intangible personal property. If the cost of an item of property exceeds \$50,000.00 or a contract for services exceeds \$20,000.00 per month, then upon written notice from the Board of Managers to the Members that any such service or property and its cost is contemplated as being necessary for the beneficial interests and enjoyment of the Members, and upon written approval of two-thirds (2/3) or more of the Members received by the Board of Managers in such manner as shall have been established in the notice thereof, the Association may contract for, acquire, build, hold and maintain for the benefit of all unit Members, any service, real, tangible and intangible personal property or improvement as the unit Members have approved. Thereafter, an amount shall be established in the budget for such care, maintenance, upkeep and other necessary expenses for the newly acquired property and shall become a part of the current common expense.

The initial cost of such service or property shall be assessed against the Members as a common expense and shall be paid in such manner and at such time as is determined by the Board of Managers.

Section 4. Assessments: Assessments against the Members for their share of the items of the budget shall be made on or before the commencement of each fiscal year for which the assessments are made. Such assessments shall be due in equal monthly installments on the 1st day of each month of the year for which the assessments are made, or at such other times as shall be determined by the

Board of Managers. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment. In the event the annual assessment proved to be insufficient, the budget and assessments therefor may be amended at any time by the Board of Managers. The unpaid assessments for the remaining portion of the fiscal year for which the amended assessment is made shall be due upon the date of the assessment or at such other date as shall be determined by the Board of Managers.

All assessments shall be fixed at a uniform rate for all Sites. Upon construction of Phase II, Phase I and Phase II assessments shall be determined on a uniform basis.

Section 5. Emergencies: Assessments for common expenses or emergencies which cannot be paid from the annual assessments for common expenses shall be made only after a majority vote of the Board of Managers, assuming a quorum to be present, at a meeting duly called for such purpose. After such approval by a majority of the Members of the Board, the assessment shall become effective, and it shall be due after thirty (30) days notice thereof to the Members or at such other time as the Board of Managers may direct.

Section 6. Depository: The depository of the Association shall be such bank or banks or other institutions as shall be designated from time to time by the Managers and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by check signed by such persons as are authorized by the Managers.

Section 7. Audit: An audit of the accounts of the Association shall be made annually by a Certified Public Accountant, and a copy of the auditor's report shall be furnished to each Member who shall request a copy in writing.

ARTICLE VIII OBLIGATIONS OF MEMBERS

Section 1. Use and Occupancy of Townhomes: In order to provide for congenial occupancy and to protect the values of the various Townhomes, Article IV of the Declaration is hereby supplemented.

(a) A Townhome shall not be occupied by more persons than it can safely accommodate.

(b) The Members of a Townhome may keep a maximum of two (2) dogs or cats or combination thereof within the interior of a Townhome and not upon or within the Common Open Space, the Limited Common Open Space or any patio or balcony appurtenant to a Townhome; guests, tenants or other occupiers of the Townhome shall not harbor any dogs, cats or other animals upon or within a Townhome, a patio or balcony appurtenant to a Townhome, the Common Open Space or the Limited Common Open Space.

(c) All balconies and patios which are appurtenant to a Townhome must be kept clean, neat, and presentable and not used for the storage of any items, except properly maintained outdoor furniture.

(d) To the extent not inconsistent with the Declaration, no Owner may construct any building or structure outside the Lot lines without the prior written consent of not less than 85% of the Members.

(e) The exterior design, architecture and appearance of any new building shall be substantially similar to the design, architecture and appearance of the existing buildings. Prior to commencement of construction, exterior design and architectural plans and specifications must be approved by the Board of Managers. In the event Phase II chooses a different exterior design, architecture, and appearance than that of Phase I, upon approval of 100% of the Members of Phase I, Phase II may, at its sole cost and expense, change the design, architecture and appearance of Phase I to that of Phase II.

(f) In the event any Owner or group of Owners desire to construct the Steamboat Boulevard Access Road or the unconstructed portion of the Private Drive Easement as shown on the Plat, the roadway must be constructed according to such terms and specifications as decided by the Board of Managers. Additionally, such roadway must be landscaped pursuant to a landscape plan as developed and approved by the Board of Managers. Such roadway construction, landscaping and landscaping plan shall be at the sole cost of such Member or group of Members desiring to construct the roadway.

(g) No construction activity shall be permitted on any Site or any Common Area from November 26 through April 15 of each year. From April 16 through November 25 of each year, no construction activity shall be permitted on any Site or any Common Area between the hours of 6:00 p.m. and 7:00 a.m. and on Sundays, unless otherwise permitted by the Board of Managers.

(h) All construction activity on Phase II shall be shielded and fenced off so as not to disturb the existing Townhomes, by a fence approved by the Board of Managers, at the expense of the constructing party. Such precautions taken to comply with this subsection must be approved by the Board of Managers.

Section 2. Maintenance and Repair:

(a) All repairs of internal installations such as water, light, gas, power, sewage telephone, heat, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Townhome area shall be at the Member's expense.

(b) An Owners shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area and facility damaged through his negligence or fault.

(c) An Owner shall be responsible for any damage to another Owner's property which occurs through his own negligence or fault.

Section 3. Internal Changes: A Member shall not make structural modifications or alterations in the interior of his Townhome without previously obtaining the written permission of the Association upon notice to it in writing, or through the Management Agent, if any, or through the President of the Board of Managers, if no Management Agent is employed. The Association shall have the obligation to answer such notice within thirty (30) days after receipt thereof, and the Association's failure to answer within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

Section 4. Use of Common Areas and Facilities:

(a) An Owner shall not place or cause to be placed in or on any of the Common Areas or Limited Common Open Space any furniture, package, object or obstruction of any kind.

(b) The Common Areas or Limited Common Open Space shall not be used as a staging area for any construction materials or equipment.

(c) The swimming pool and the tennis courts are hereby deemed adequate for the existing demands of the Phase I Members, their guests, and invitees, but are not deemed adequate in size or location for use by future Members from Phase II. Therefore, each Owner of a Lot in Phase II shall pay a one time admission fee for the use of such swimming pool and tennis courts. The fee shall be determined by the Board of Managers and may be based upon the costs of expanding the facilities to meet the combined demands of Phase I and Phase II.

Section 5. Right of Entry:

(a) A Member shall grant the right of entry to the Management Agent or to any other person authorized by the Board of Managers of the Association in case of any emergency originating in or threatening his Townhome whether the Member is present at the time or not.

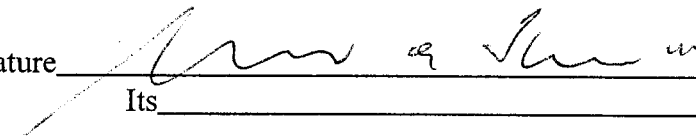
(b) A Member shall permit other Members, or their representatives, when so required, to enter his unit for the purposes of installing or performing installations, alterations, or repairs to mechanical or electrical services or to the party wall provided that the requests for such entry are made in advance and that such entry is at a time convenient to the Member. In case of emergency, such right of entry shall be immediate.

Section 6. Rules of Conduct:

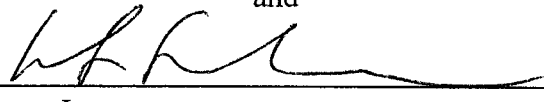
(a) No Owner shall post any advertisements or posters of any kind in or on the properties except as are authorized by the Association.

ARTICLE XI
Amendment to Bylaws

A resolution adopting a proposed amendment to the Bylaws may be proposed either by the Board of Managers or by the Members owning at least 20% of the improved lots. Managers not present in person or by proxy at the meeting considering such amendment may express their approval in writing providing such approval is delivered to the Secretary of the Association at or prior to the meeting. Except as elsewhere provided, such approval must be by at least 80% of the membership of the Board of Managers and by not less than 84% of the votes of the Members. A resolution adopting a proposed amendment may be adopted, without the approval of the Board of Managers, by at least 92% of the votes of the Members.

Signature 
Its _____ President

and

Signature 
Its _____ Secretary

(b) Residents shall exercise extreme care not to make noise or to use musical instruments, radios, televisions and amplifiers in a manner that may disturb other residents.

(c) It is prohibited to hang garments, rugs, and the like from windows, balconies, stairs, or from any of the facades of the properties.

(d) It is prohibited to dust rugs, etc., from the windows or to clean rugs, etc., by beating on the exterior part of the properties.

(e) Garbage or trash shall be disposed of only in the disposal installations provided for such purposes in the service areas of the Townhomes.

(f) No Owner, Member, resident, or lessee shall install wiring for electrical or telephone installations, television antenna, machines or air conditioning units, etc., on the exterior of the properties or that protrude through the walls or roof of the properties except as authorized by the Association.

(g) Each Owner and Member, for himself, members of his family, contract purchasers, invitees, guests or licensees, shall abide by reasonable rules and regulations adopted by the Association or Board of Managers from time to time.

(h) Each Member shall hang suitable draperies in the windows of their units similar in color and style to the draperies provided to the initial Member of the unit.

(i) Each Member shall park his car and cause members of his family and guests to park their cars in the garages and/or driveways provided for parking.

ARTICLE IX AMENDMENT

These Amended Bylaws may be amended in the following manner:

(a) Notice of the subject matter of the proposed amendment shall be included in the notice of the meeting at which a proposed amendment is to be considered.

(b) A resolution adopting a proposed amendment may be proposed either by the Board of Managers or by the Members owning at least 20% of the improved lots. Managers not present in person or by proxy at the meeting considering such amendment may express their approval in writing providing such approval is delivered to the Secretary of the Association at or prior to the meeting. Except as elsewhere provided, such approval must be by at least 80% of the membership of the Board of Managers and by not less than 84% of the votes of the Members. A resolution adopting a proposed amendment may be adopted, without the approval of the Board of Managers, by at least 92% of the votes of the Members.

(c) A copy of each amendment shall be certified by the President and Secretary of the Association as having been duly adopted.

ARTICLE X MORTGAGES AND LEASES

Section 1. Notice to Association: Any Member who mortgages, leases or otherwise encumbers his Townhome shall notify the Association through the Management Agent, if any, or the President of the Board of Managers in the event there is no Management Agent, of the name and address of his mortgagee, lessee, or other lien holder; and the Association shall maintain such information in a book entitled "Mortgagees and Lessees of Townhomes."

ARTICLE XI MISCELLANEOUS

Section 1. Inspection of Records: The Members and their mortgagees, if applicable, may inspect the records of receipts and expenditures of the Board of Managers at convenient weekday business hours.

Section 2. Severability: In the event any provision or provisions of these Amended Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 3. Waiver: No restriction, condition, obligation or provision of these Amended Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

Section 4. Captions: The captions contained in these Amended Bylaws are for convenience only and are not a part of these Amended Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Amended Bylaws.

Section 5. Gender, etc: Whenever in these Amended Bylaws the context so requires, reference to the singular shall be deemed to include the plural and the converse, and reference to any gender shall be deemed to include all genders.

CERTIFICATE ON FOLLOWING PAGE

PLEASE sign this consent & return it in the enclosed envelope.

UNANIMOUS CONSENT
OF
THE MEMBERS
OF
MORaine TOWNHOME ASSOCIATION
(A Colorado Nonprofit Corporation)

PURSUANT TO the Colorado Revised Nonprofit Corporation Act (C.R.S. §7-121-101 et.seq.) the undersigned, being all of the Members of the MORaine TOWNHOME ASSOCIATION (the "Association"), being also all of the Owners of the Association who are entitled by the Association By-Laws and the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes to vote on any matter coming before the Association, acting without notice or meeting, both of which are hereby waived, do hereby consent to, vote in favor of and adopt the following resolutions:

I

RESOLVED, that the First Amended Bylaws of the Moraine Townhome Association ("First Amended Bylaws"), a copy of which is attached hereto and by this reference made a part hereof, is hereby approved and adopted by unanimous consent of the Owners of the Moraine Townhome Association, and shall supersede and substitute entirely for, and as a complete admendment to the prior By-Laws of the Association.

II

RESOLVED, that this Consent may be executed in counterparts, each of which shall be deemed an original document.

EXECUTED effective as of the last date of a signature by a Member to a counterpart of this Consent.

Donald B. Little 11/15/98
Donald B. Little Date

Thomas McGinnis, Jr. Date

Carolyn Rapperlie Date

Carl J. Ganter Date

Dr. James Fulton Date

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

PLEASE sign this consent & return it in the enclosed
envelope

UNANIMOUS CONSENT
OF
THE MEMBERS
OF
MORaine TOWNHOME ASSOCIATION
(A Colorado Nonprofit Corporation)

RECEIVED NOV 10 1998

PURSUANT TO the Colorado Revised Nonprofit Corporation Act (C.R.S. §7-121-101 et seq.) the undersigned, being all of the Members of the MORaine TOWNHOME ASSOCIATION (the "Association"), being also all of the Owners of the Association who are entitled by the Association By-Laws and the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes to vote on any matter coming before the Association, acting without notice or meeting, both of which are hereby waived, do hereby consent to, vote in favor of and adopt the following resolutions:

I

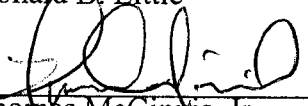
RESOLVED, that the First Amended Bylaws of the Moraine Townhome Association ("First Amended Bylaws"), a copy of which is attached hereto and by this reference made a part hereof, is hereby approved and adopted by unanimous consent of the Owners of the Moraine Townhome Association, and shall supersede and substitute entirely for, and as a complete amendment to the prior By-Laws of the Association.

II

RESOLVED, that this Consent may be executed in counterparts, each of which shall be deemed an original document.

EXECUTED effective as of the last date of a signature by a Member to a counterpart of this Consent.

Donald B. Little _____ Date

 _____ 16 Nov 98
Thomas McGinnis, Jr. _____ Date

 _____ Nov-16, 1998
Carolyn Rappaport _____ Date

Carl J. Ganter _____ Date

Dr. James Fulton _____ Date

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

**UNANIMOUS CONSENT
OF
THE MEMBERS
OF
MORaine TOWNHOME ASSOCIATION
(A Colorado Nonprofit Corporation)**

PURSUANT TO the Colorado Revised Nonprofit Corporation Act (C.R.S. §7-121-101 et.seq.) the undersigned, being all of the Members of the MORaine TOWNHOME ASSOCIATION (the "Association"), being also all of the Owners of the Association who are entitled by the Association By-Laws and the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes to vote on any matter coming before the Association, acting without notice or meeting, both of which are hereby waived, do hereby consent to, vote in favor of and adopt the following resolutions:

I

RESOLVED, that the First Amended Bylaws of the Moraine Townhome Association ("First Amended Bylaws"), a copy of which is attached hereto and by this reference made a part hereof, is hereby approved and adopted by unanimous consent of the Owners of the Moraine Townhome Association, and shall supersede and substitute entirely for, and as a complete admendment to the prior By-Laws of the Association.

II

RESOLVED, that this Consent may be executed in counterparts, each of which shall be deemed an original document.

EXECUTED effective as of the last date of a signature by a Member to a counterpart of this Consent.

Donald B. Little _____ Date _____

Thomas McGinnis, Jr. _____ Date _____

Carolyn Rapperlie _____ Date _____

Carl J. Ganter _____ Date _____

 _____ Date 11/19/98
Dr. James Fulton

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Sarah Fulton 11/16/98
Sarah Fulton Date

William Sanders Date

Barbara Sanders Date

William Waters Date

Jane Waters Date

John N. Fix Date

Richard A. Mathias Date

Nicolas Polanco Date

_____, as Date
of
Fawn Engineering Corp.

Betty Polanco Date

_____, as Date
of
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

**UNANIMOUS CONSENT
OF
THE MEMBERS
OF
MORaine TOWNHOME ASSOCIATION
(A Colorado Nonprofit Corporation)**

PURSUANT TO the Colorado Revised Nonprofit Corporation Act (C.R.S. §7-121-101 et.seq.) the undersigned, being all of the Members of the MORaine TOWNHOME ASSOCIATION (the "Association"), being also all of the Owners of the Association who are entitled by the Association By-Laws and the Townhome Declaration of Covenants, Conditions, and Restrictions for Moraine Townhomes to vote on any matter coming before the Association, acting without notice or meeting, both of which are hereby waived, do hereby consent to, vote in favor of and adopt the following resolutions:

I

RESOLVED, that the First Amended Bylaws of the Moraine Townhome Association ("First Amended Bylaws"), a copy of which is attached hereto and by this reference made a part hereof, is hereby approved and adopted by unanimous consent of the Owners of the Moraine Townhome Association, and shall supersede and substitute entirely for, and as a complete admendment to the prior By-Laws of the Association.

II

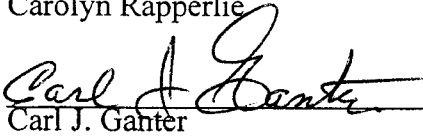
RESOLVED, that this Consent may be executed in counterparts, each of which shall be deemed an original document.

EXECUTED effective as of the last date of a signature by a Member to a counterpart of this Consent.

Donald B. Little _____ Date

Thomas McGinnis, Jr. _____ Date

Carolyn Rapperlie _____ Date

 _____ Date 11/20/98
Carl J. Ganter

Dr. James Fulton _____ Date

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Sarah Fulton _____ Date _____
William Sanders *11/9/98*
William Sanders _____ Date _____
Barbara W. Sanders *11/9/98*
Barbara Sanders _____ Date _____

William Waters _____ Date _____

Jane Waters _____ Date _____

John N. Fix _____ Date _____

Richard A. Mathias _____ Date _____

Nicolas Polanco _____ Date _____

_____, as _____ Date _____
of
Fawn Engineering Corp.

Betty Polanco _____ Date _____

_____, as _____ Date _____
of
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Sarah Fulton _____ Date _____

William Sanders _____ Date _____

Barbara Sanders _____ Date _____

Will. F. Waters 11-13-98
William Waters _____ Date _____

Jane Waters 11-13-98
Jane Waters _____ Date _____

John N. Fix _____ Date _____

Richard A. Mathias _____ Date _____

Nicolas Polanco _____ Date _____

_____, as _____ Date _____
of _____
Fawn Engineering Corp.

Betty Polanco _____ Date _____

_____, as _____ Date _____
of _____
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

-2-

Sarah Fulton _____ Date

William Sanders _____ Date

Barbara Sanders _____ Date

William Waters _____ Date

Jane Waters _____ Date

John N. Fix 11-30-98
John N. Fix _____ Date

Richard A. Mathias 11-28-98
Richard A. Mathias _____ Date

Nicolas Polanco _____ Date

_____ as _____ Date
of
Fawn Engineering Corp.

Betty Polanco _____ Date

_____ as _____ Date
of
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Sarah Fulton _____ Date _____

William Sanders _____ Date _____

Barbara Sanders _____ Date _____

William Waters _____ Date _____

Jane Waters _____ Date _____

John N. Fix _____ Date _____

Richard A. Mathias _____ Date _____

Nicolas Polanco _____ Date _____

Kermit Anderson 11/19/98

KERMIT ANDERSON as _____ Date _____
GEN. COUNSEL of
Fawn Engineering Corp.

Betty Polanco _____ Date _____

_____, as _____ Date _____
_____, of _____
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

Sarah Fulton _____ Date _____

William Sanders _____ Date _____

Barbara Sanders _____ Date _____

William Waters _____ Date _____

Jane Waters _____ Date _____

John N. Fix _____ Date _____

Richard A. Mathias _____ Date _____

Nicolas Polanco _____ Date _____

_____ as _____ Date _____
of
Fawn Engineering Corp.

Betty Polanco 11/28/98
Betty Polanco _____ Date _____

_____ as _____ Date _____
of
American Frontier Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

-2-

Sarah Fulton _____ Date _____

William Sanders _____ Date _____

Barbara Sanders _____ Date _____

William Waters _____ Date _____

Jane Waters _____ Date _____


John N. Fix _____ Date _____

Richard A. Mathias _____ Date _____

Nicolas Polanco _____ Date _____

_____ as _____ Date _____
of
Fawn Engineering Corp.

Betty Polanco _____ Date _____

(X)  12-1-98
_____ as _____ Date _____
VP/CEO of
American Fronteer Financial Corp.

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

-2-

Joan E. Koltak, as Trustee _____ Date _____
Joan E. Koltak Revocable Trust

Marguerite Thew _____ Date _____

Dr. Maurice Thew _____ Date _____

Robert J. McKinley _____ Date _____

_____, as Trustee Date
Joan E. Koltak Revocable Trust

Marguerite Thew 11/13/98

Marguerite Thew Date

Dr. Maurice Thew 11/13/98

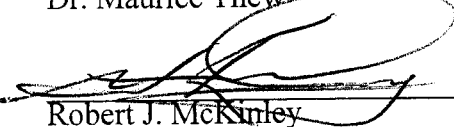
Dr. Maurice Thew Date

Robert J. McKinley Date

_____, as Trustee Date
Joan E. Koltak Revocable Trust

Marguerite Thew Date

Dr. Maurice Thew Date

 25. nov. 98
Robert J. McKinley Date