

BYLAWS

OF

THE CHARTERWOOD ASSOCIATION

(a Colorado nonprofit corporation)

ARTICLE I

Supplemental Declarations

The corporation accepts the terms and provisions of and agrees to observe, obey, and fulfill all the covenants, conditions, restrictions, and duties placed on it by the Supplemental Declaration of Covenants, Conditions and Restrictions for Charterwood at Lakewood Estates made on August 12, 1985 and recorded at Reception No. 85076904 on August 13, 1985, by the County Clerk and Recorder of Jefferson County, Colorado (herein "Supplemental Declaration"). In order to aid in accomplishments of the purposes of the corporation as expressed in its Articles of Incorporation, and in order to further the purposes expressed in the Supplemental Declaration, the corporation wishes to express its intent to abide by the terms and provisions of any amendments to said Supplemental Declaration which may be adopted from time to time. Nothing in these Bylaws shall be construed to limit or enlarge any of the provisions or restrictions of the Supplemental Declaration, or to be in any way in conflict with the terms of the Supplemental Declaration. The expressed inclusion of or reference to certain provisions of said Supplemental Declaration in these Bylaws should in no way be construed to limit the binding effect of any of the terms and provisions of said Supplemental Declaration which are not expressly included or referred to in these Bylaws.

ARTICLE II

Definitions

The capitalized terms used in these Bylaws shall have the meaning defined in Article I of the Supplemental Declaration attached hereto as Exhibit A and by this reference made a part hereof.

ARTICLE III

Offices

1. Business Offices. The principal office of the corporation in the State of Colorado shall be located in Suite 101, 10579 Bradford Road, Littleton, Colorado 80127 until November 30, 1985 and then at 10288 W. Chatfield Road, Littleton, Colorado 80127, Jefferson County, Colorado. The corporation may have such other offices, either within or without the State of Colorado, as the Board of Directors may determine or as the affairs of the corporation may require from time to time.

2. Registered Office. The corporation shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE IV

Members

1. Membership & Voting Rights. Membership and voting rights in the corporation shall be as set forth in Article III of the Supplemental Declaration.

2. Notification. Any person who may become a Member of the corporation shall give written notice to the Secretary of the corporation that he has become a Member. Such notice shall include the name and address of the Member, and shall identify the Lot which entitles the person to membership; and such notice shall further identify the previous Owner of such Lot. Further, all Members shall give written notice to the Secretary of the corporation of any changes which may occur from time to time in the names, addresses, or ownership information provided the corporation. Neither the corporation nor its officers shall be liable for failing to enter on the membership books of the corporation the name of any Member who fails to provide notice as specified herein or for failing to give such person notice of any meeting of Members or any other notification or information provided or required by these bylaws.

ARTICLE V

Meetings of Members

1. Annual Meeting. There shall be a regular annual meeting of the Members of the corporation on the 1st Monday in March of each year at 10:00 a.m. at the principal office of the corporation. Except as hereinafter provided, no notice need be given of said regular annual meeting. Said regular annual meeting may be held at such other reasonable place and at such time as may be designated by written notice of the Board of Directors given to Members in the same manner as notice of a special meeting is given.

2. Special Meetings. Special meetings of the Members may be called at any reasonable time, date and place by written notice by the Board of Directors or by written notice by Members having one-fifth of the total votes, sent not less than 30 days prior nor more than 60 days prior to the date fixed for said special meeting to all Members if given by the Board of Directors and to all other Members if given by said Members. All notices of such meetings shall be addressed to each Member as his address appears on the books of the corporation and shall state the time, date and place of such meetings and the purpose or purposes of such meetings.

3. Closing of Books. The Board of Directors shall close the membership books of the corporation for a period of not less than ten days nor more than fifty days preceding that date of any regular or special meeting of Members; and only those Members who are listed as such on the membership books on the date when said books are closed are eligible to vote at the meetings of Members. Neither the corporation nor its officers shall be liable in any manner for refusing to permit any person to vote who is not a Member listed on the membership books as of the date of the closing of said books, or who is the duly authorized proxy or attorney-in-fact of such person.

4. Inspection. At least ten days before every meeting of Members a complete list of Members entitled to vote thereat, arranged in alphabetical order, showing the address of each Member and the number of votes to which each is entitled, shall be prepared by the Secretary of the corporation and shall be open to inspection and copying by any Member during usual business hours for a period of at least ten days prior to such meeting at the principal office of the corporation, and such list shall be produced and kept at the time and place of the meeting during the whole time thereof, and subject to the inspection of any Member who shall be present.

5. Informal Action by Members. Any action required by law to be taken at a meeting of Members, or any action which may be taken at a meeting of Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. If all of the Members shall meet at any time and place, either within or without the State of Colorado, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

6. Quorum. The presence at any meeting, in person or by proxy, of Members entitled to vote at least sixty percent (60%) of the total votes of each class of membership shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours nor more than 30 days from the time set for the original meeting, without the need to provide further notice of such adjourned meeting, at which adjourned meeting the quorum requirement shall be one half the required quorum at the original meeting.

7. Conduct of Meetings. The Chairman of the Board of Directors, or in his absence the Vice Chairman, shall call meetings of Members to order and act as chairman of such meetings. In the absence of both said officers, any Member entitled to vote thereat or any proxy of such Member may call the meeting to order and a chairman of the meeting shall be elected. The Secretary of the corporation, or in his absence the Assistant Secretary, shall act as secretary of the meeting. In the absence of both the Secretary and the Assistant Secretary, a secretary shall be selected in the manner aforesaid for selecting a chairman of the meeting. At all meetings of the Members the following order of business shall be observed insofar as it is consistent with the purposes and objectives of the meeting: (a) Calling the roll to determine the Members present either in person or by proxy at the meeting; (b) Reading of notice and proof of call of the meeting; (c) Reports of officers; (d) Reports of committees; (e) Unfinished business; (f) New business; (g) Election of directors; (h) Miscellaneous business.

8. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

9. Votes of Members. Members shall be entitled to the number of votes which are specified in Article III of the Articles of Incorporation.

10. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater portion is required by these Bylaws, the Articles of Incorporation, or the Master Declaration.

11. Voting by Mail. The election of Directors may be conducted by mail in such manner as the Board of Directors shall determine and shall require at least a majority of the votes which Members are entitled to cast in such election.

ARTICLE VI

Board of Directors

1. General Powers. The affairs of the corporation shall be managed by its Board of Directors.

2. Number, Election, Tenure and Qualifications. The number of Directors shall be five (5). Each Director shall hold office until the next regular annual meeting of Members and until his successor shall have been elected and qualified. Directors need not be residents of the State of Colorado or Members of the corporation.

3. Regular Meetings. A regular 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 regular annual meeting of Members. 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 of the Board without other notice than such resolution.

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

5. Chairman and Vice Chairman. The Board of Directors shall, at each regular annual meeting, elect a Chairman and Vice Chairman from among the members of the Board of Directors. The Chairman and Vice Chairman shall serve in such capacity until their successors have been elected and qualified. Any vacancy created by death, resignation or removal of the Chairman or Vice Chairman shall be filled by the Board of Directors for the unexpired portion of the term.

6. Notice. Notice of any special meeting of the Board of Directors shall be given at least five days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope 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 telegram company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends 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 regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws.

7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

8. Manner of Acting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

9. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director elected or appointed to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

10. Compensation. Directors as such shall not receive any stated salaries for their services, but nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

11. Informal Action by Directors. Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE VII

Officers

1. Officers. The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

2. Election and Term of Office. The officers of the corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5. President. The President shall be the principal executive officer of the corporation and shall in general supervise and control all of the business and affairs of the corporation. He may sign, with the Secretary or any other proper officer of the corporation, contracts or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the corporation; and in general he shall 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.

6. Vice President. In the absence of the President or in event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order of their election) shall perform the 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 shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

7. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article IX of these Bylaws; and in general perform all 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.

8. Secretary. The Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these Bylaws; keep membership books and a register of the post office address of each Member which shall be furnished to the secretary by such Member; and 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.

9. Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors.

ARTICLE VIII

Committees

1. Committees of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the corporation, except that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the corporation; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the corporation; or 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 it or him by law.

2. Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the corporation may be appointed in such manner as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each committee shall be Members of the corporation, and the President of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such members whenever in their judgment the best interests of the corporation shall be served by such removal. Nothing in this Section or in this Article shall be construed to limit or in any way diminish the rights conferred upon the Architectural Committee established under Article VIII of these Bylaws.

3. Term of Office. Each member of a committee shall continue as such until the next regular annual meeting of the Members of the corporation and until his successor is appointed, unless the committee shall be sooner terminated, or

unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

4. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

5. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

6. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

7. Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

ARTICLE IX

Architectural Committee

1. Members of Committee. The Architectural Control Committee shall be composed of three or more representatives appointed by the Board of Directors of the corporation.

2. Duties, Functions and Powers. The Architectural Committee shall have such powers and shall perform such duties and functions as specified in the Supplemental Declaration, as it may be amended from time to time.

3. Meetings of the Committee. The Committee shall meet from time to time as necessary to perform its duties hereunder. The Committee may from time to time by resolution unanimously adopted in writing designate one of its members to take any action or perform any duties for or on behalf of the Committee. In the absence of such designation, the vote of a majority of all of the members of the Committee, or the written consent of the majority of all of the members taken without a meeting, shall constitute an act of the Committee.

4. Compensation of Members. The members of the Committee shall be entitled to reasonable compensation from the corporation for services rendered, together with reimbursement for expenses incurred by them in the performance of their duties. Such compensation shall be determined by the Board of Directors.

5. Filing of Rules. All rules and regulations adopted by the Committee shall be filed with the Secretary of the corporation and shall be available for inspection by any Member on the same terms as all other books and records of the corporation as provided in Article XII. Rules and regulations adopted by the Committee but not so filed shall not be effective against Members not having actual notice thereof.

ARTICLE X

Contracts, Checks, Deposits, Funds and Fiscal Year

1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

2. Checks, Drafts, etc. All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the corporation.

3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Directors may select.

4. Gifts. The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purpose or for any special purpose of the corporation.

5. Fiscal Year. The fiscal year of the corporation shall be that period which the Board of Directors shall by resolution provide.

ARTICLE XI

Certificates of Membership

1. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the corporation, which shall be in such form as may be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and shall be sealed with the seal of the corporation. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions as the Board of Directors may determine.

ARTICLE XII

Books and Records

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members, Board of Directors, committees having any of the authority of the Board of Directors and the Architectural Committee. It shall also keep at its registered or principal office membership books giving the names and addresses of the Members entitled to vote. All books and records of the corporation may be inspected by any Member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE XIII

Maintenance Assessments

As more fully provided in the Supplemental Declaration, each member is obligated to pay to the Association regular and special assessments, including emergency assessments. Such assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessments not paid when due are delinquent and shall bear interest and may be foreclosed as set forth in the Supplemental Declaration. Interests, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Properties or abandonment of his Lot.

ARTICLE XIV

Indemnification

1. Third Party Actions. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, administrative, or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee, servant or agent of the corporation against expenses (including attorney's fees), judgments, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. The termination of any action, suit or proceeding by judgment, order, or settlement shall not of itself create a presumption that the person did not act in good faith or in a manner in which he reasonably believed to be in or not opposed to the best interests of the corporation.

2. Derivative Action. The corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee, servant or agent of the corporation, against expenses (including attorney's fees) actually and reasonably incurred by him in connection with the defense or settlement of such action, proceeding or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation.

3. Determination. The indemnification which the corporation has elected to provide under Sections 1 or 2 of this Article XIV (unless ordered by a court) shall be made by the corporation only as authorized in a specific case upon a determination that the indemnification of the officer, director, employee, servant or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections 1 or 2 of this Article XIII. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested

directors so directs, by independent legal counsel in a written opinion; provided, however, that if a director, officer, employee, servant or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 or 2 of this Article XIII or in defense of any claim, issue or matter therein, then to the extent that the corporation has elected to provide indemnification, he shall automatically be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article XIII.

4. Payment in Advance. Expenses incurred in defending a civil suit or proceeding may, in the discretion of the Board of Directors, be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors as provided in Section 3 of this Article XIII upon receipt of an undertaking by or on behalf of the director, officer, employee, servant or agent to repay such amount unless it shall be ultimately determined that he is entitled to be indemnified by the corporation as authorized in this Article.

5. Insurance. The Board of Directors may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, servant, or agent of the corporation, against any liability asserted against him or incurred by him in any such capacity, or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability hereunder or otherwise. Moreover, the Board of Directors shall purchase and maintain standard directors and officers liability insurance pursuant to the Master Declaration.

6. Other Coverage. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which anyone seeking indemnification may be entitled under these Bylaws, by agreement, vote of the Members, vote of disinterested directors, Colorado law, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and may continue as to a person who has ceased to be a director, officer, employee, servant or agent and may inure to the benefit of the heirs and personal representatives of such a person.

ARTICLE XV

Use of Common Property

1. Rules and Regulations. The Board of Directors shall have the authority to adopt rules governing the operation and use of property owned or leased by the corporation. The Board of Directors shall have the power to enforce such rules in the manner and on such terms as provided in the Supplemental Declaration as it may from time to time be amended; provided, however, that no such rules shall be effective until they are filed with the Secretary of the corporation against any person not having actual notice thereof.

2. Damage to Corporation Property. Each Member of the corporation shall be liable to the corporation for any damage to the property of the corporation which may be sustained by reason of the negligent or intentional misconduct of such person or of his family, guests or invitees to the full extent permitted under Colorado law. If the property of the Member or lessee is owned or leased jointly or in common, the liability of all such joint or common Members or lessees shall be joint and several. The amount of such damage may be assessed against such person's real and personal property on or within Charterwood including the leasehold estate of any lessee, provided, however, that no such assessment shall be made until the Member or lessee has been notified in writing at least ten (10) days prior to the Board of Directors meeting at which such assessment will be considered. The Member or lessee shall have the right to appear at such meeting and to contest the proposed assessment as well as the amount of such assessment.

ARTICLE XVI

Damage and Destruction

In the case of destruction of or damage to corporation property by fire or other casualty:

1. Reconstruction-minor. If the insurance proceeds do not exceed the sum of \$100,000 and the cost of repairing or rebuilding does not exceed the amount of the available insurance proceeds by more than \$25,000, such insurance proceeds shall be paid to the corporation, which thereupon shall contract to repair or rebuild the corporation property so damaged; and if the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding the damage, the corporation may levy a special assessment to make good any deficiency.

2. Reconstruction-major. If the insurance proceeds exceed \$100,000 or the cost of repairing or rebuilding exceeds the available insurance proceeds by more than \$25,000, then: (a) the insurance proceeds shall be paid to such bank or trust company as may be designated by the Board of Directors, to be held in separate trust for the benefit of the Members, as their respective interests shall appear. The corporation is authorized to enter, on behalf of the Members, into an agreement with such insurance trustee relating to its powers, duties and compensation, on such terms as the Board of Directors may approve consistent herewith; (b) the corporation shall obtain firm bids from two or more responsible contractors to repair and rebuild any or all portions of the corporation property and shall call a special meeting of the Members to consider such bids. At such special meeting, the Members may by 3/4ths of the votes cast at such meeting elect to reject such bids and thus not to rebuild. Failure to thus reject such bid shall be deemed acceptance of such bid as may be selected by the Board of Directors. If a bid is accepted, the corporation may levy special assessments on the Members to make up the deficiency between the total insurance Proceeds and the contract price of repairing or rebuilding the corporation property and such assessments and all insurance proceeds shall be paid to said insurance trustee to be used for such rebuilding. Such assessments may be made due on such dates as the corporation may designate, and the corporation may borrow money to pay the aforesaid deficiency and may secure such borrowing by an assignment of its right to collect such assessments, by a pledge of or mortgage on any personal property owned by the corporation or held by it in trust for the Members, or by a mortgage or deed of trust on the facility to be rebuilt or on any other real property owned by the corporation. If the Members elect not to rebuild, the proceeds, after payment for demolition of damaged structures and clean-up of the premises, shall be retained by the corporation for use in performing its functions under the Master and Supplemental Declarations.

3. Decision Not to Reconstruct. If the Board of Directors determines not to rebuild any property so destroyed or damaged, or to build facilities substantially different from those which were destroyed or damaged, it shall call a special meeting of the Members to consider such decision. If the Members by 3/4ths of the votes cast at such meeting, elect to ratify such decision, the Board of Directors shall act accordingly; but if the Members do not by such percentage elect to ratify such decision, the Board shall proceed to repair or rebuild the damaged or destroyed facility pursuant to Sections 1 or 2 of this Article. During the Period of Grantor Control and for so long thereafter as Grantor controls 10% or more of the votes pursuant to Article V of the Articles of

Incorporation, Grantor shall have the authority to veto any decision to repair or rebuild.

ARTICLE XVII

Waiver of Notice

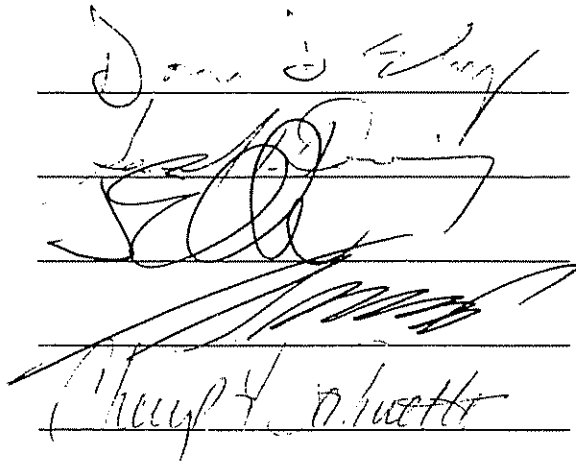
Whenever any notice is required to be given under the provisions of the Colorado Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of this corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVIII

Amendments to Bylaws

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting of the Board of Directors, if at least five days' written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

IN WITNESS WHEREOF, we, being all of the directors of the Charterwood Association, have hereunto set our hands effective the 26th day of August, 1985.

Three handwritten signatures are written on four horizontal lines. The top signature is 'James D. [unclear]', the middle one is a cursive signature, and the bottom one is 'Therese H. [unclear]'.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I as the duly selected and acting secretary of The Charterwood Association, a Colorado corporation, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted by the Board of Directors thereof, by an Organization Certificate bearing an effective date of August 26, 1985.

IN WITNESS WHEREOF, I have hereunto subscribed and affixed the seal of said Association this 5th day of NOVEMBER 1985


Secretary