

BYLAWS

OF

MCKAY LANDING HOMEOWNERS ASSOCIATION, INC.

1. GENERAL.

1.1 Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of McKay Landing Homeowners Association, Inc. (the "Association"). The Association has been organized as a Colorado corporation under the Colorado Nonprofit Corporation Act CRS §§ 7-121-101, et seq. (the "Act") to be and constitutes the Association under the Declaration of Covenants, Conditions and Restrictions for McKay Landing, City of Broomfield, County of Adams, Colorado recorded in the real property records of Adams County, Colorado on Feb. 7, 2001, as Reception No. C0759022 as amended (the "Declaration"). The Declaration was executed by McKay Landing, LLC, a Colorado limited liability company (the "Declarant"). The Declaration relates to real property in the County of Adams, State of Colorado, which is described in the Declaration as the Community Area ("Community Area").

1.2 Terms Defined in the Declaration. Any term used in these Bylaws which is defined in the Declaration shall have the same meaning and definition as in the Declaration.

1.3 Controlling Laws and Instruments. These Bylaws are controlled by and shall always be consistent with the Act, the Declaration, and the Articles of Incorporation of the Association filed with the Secretary of State of the State of Colorado (the "Articles"), as any of the foregoing may be amended from time to time.

2. OFFICES.

2.1 Principal Office. The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Association. The initial principal office shall be 2919 Valmont Road, Suite 204, Boulder, Colorado 80301.

2.2 Registered Office and Agent. The Act requires that the Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Association. The initial registered office and the initial registered agent are specified in the Articles but may be changed by the Association at any time, without amendment to the Articles, by filing a statement as specified by law in the Office of the Secretary of State of Colorado; provided that, as provided in the Articles, no change may be made in either thereof during the Declarant Control Period unless approved in writing by Declarant.

3. MEMBERS.

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

3.2 Memberships Appurtenant to Units. Each Owner of a Unit shall be a Member of the Association. There shall be one Membership in the Association for each Unit. The Person or Persons who constitute the Owner of a Unit shall automatically be the holder of the Membership appurtenant to that Unit, and the Membership appurtenant thereto shall automatically pass with fee simple title to the Unit. Declarant shall hold a Membership in the Association for each Unit owned by Declarant. Membership in the Association shall not be assignable separate and apart from fee simple title to a Unit except that an Owner may assign some or all of his rights as an Owner and as a Member of the Association to a tenant, a purchaser under an Installment Sale Contract, or a Mortgagee and may arrange for a tenant, a purchaser under an Installment Sale Contract, or a Mortgagee to perform some or all of such Owner's obligations as provided in this Declaration, but no Owner shall be permitted to relieve himself of the responsibility for fulfillment of the obligations of an Owner under this Declaration. The rights acquired by any such tenant, purchaser under an Installment Sale Contract, or Mortgagee shall be extinguished automatically upon termination of the lease or Mortgage.

3.3 Voting Rights of Members. Each Member shall have the right to cast the number of votes allocated in accordance with the Declaration to each Unit owned by such Member except that, in the event any Unit is owned by more than one Member, any Member who is Owner of that Unit and is present to vote at any meeting may cast the vote for such Unit, if more than one Member who is an Owner of that Unit is present at a meeting, the vote for such Unit shall be cast as such Members shall agree or, in the absence of agreement, each Member who is an Owner of such Unit shall be entitled to cast the portion of the vote for such Unit equal to such Owner's fractional ownership interest in such Unit. Each Unit is allocated a portion of the total votes in the Association based upon type of Unit as more specifically set forth in the Declaration.

3.3.1 Declarant Control Period. As provided in the Declaration, the Declarant has certain rights with respect to the Association and the Association Properties for a period of time (the "Declarant Control Period") commencing with the execution of the Declaration and ending on: (a) sixty days after the date on which seventy-five percent (75%) of the Units no longer are owned by Declarant and Limited Declarants; or (b) two years after the conveyance by Declarant (or any Limited Declarant) of the last Unit conveyed by Declarant (or any Limited Declarant) in the ordinary course of business, whichever occurs first. During the Declarant Control Period, the Articles and Bylaws and any amendment to either of them shall not be effective unless and until approved in writing by the Declarant.

3.3.2 Declarant's Right to Appoint Board of Directors. During the Declarant Control Period, Declarant shall have the right to appoint the members of the Board of Directors; provided that (i) not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units to Owners other than Declarant (including as Declarant any Limited Declarants), at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Owners other than the Declarant; (ii) not later than sixty (60) days after

of fifty percent (50%) of the Units to Owners other than Declarant (including as Declarant any Limited Declarants), not less than thirty-three and one-third percent (33⅓%) of the members of the Board of Directors must be elected by Owners other than the Declarant; and (iii) not later than the termination of the Declarant Control Period, the Owners shall elect a Board of Directors of at least three (3) members, at least a majority of whom shall be Owners other than the Declarant or designated representatives of Owners other than Declarant.

3.4 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended; provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of Declarant to vote or relating to the manner of exercise by Declarant of its voting rights. No dispute as to the entitlement of any Member to vote shall postpone or delay any vote for which a meeting of Members has been duly called pursuant to the provisions of these Bylaws and a quorum is present.

3.5 Suspension of Voting Rights. The Board of Directors may suspend the voting rights of a Member (other than Declarant or a Limited Declarant) during the continuation of and for up to sixty (60) days following the cure of any breach by such Member of any provision of the Declaration or of any Rule or Regulation adopted by the Association.

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

4. MEETINGS OF MEMBERS.

4.1 Place of Members' Meetings. Meetings of Members shall be held at the principal office of the Association or at such other place as may be fixed by the Board of Directors and specified in the notice-of the meeting.

4.2 Annual Meetings of Members. Annual meetings of the Members shall be held in February of each year beginning in 2001 on such day in February and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting. The annual meetings shall be held to transact such business as may properly come before the meeting.

4.3 Special Meetings of Members. Special meetings of the Members may be called by the Board of Directors of the Association or by Members holding not less than 25% of the total votes of all Members. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.

4.4 Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members or in order to make a determination of such Members for any other proper purpose, the Board of Directors of the Association may fix, in advance, a date as the record date for any such determination of Members. The record date shall be not more than fifty (50) days prior to the meeting of Members or the event requiring a determination of Members.

4.5 Notice of Members' Meetings. Written notice stating the place, day and hour of any meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of the Board of Directors, the President, or the Secretary of the Association or the persons calling the meeting, to each Member entitled to vote at such meeting. The notice of an annual meeting shall identify any matter which it is known may come before the meeting including, but not limited to, the general nature of any proposed amendment to the Declaration or Bylaws and any proposal to remove an officer or member of the Board of Directors. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid. Such notice may be posted in a conspicuous place in the Community Area, such as on a notice board, and such notice shall be deemed to be delivered to any Member upon such posting if such Member has not furnished an address for mailing of notice to the Association.

4.6 Proxies. A Member entitled to vote may vote in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact and filed with the Chairman of the meeting prior to the time the proxy is exercised. Any proxy may be revocable by attendance of a Member in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the conveyance by a Member of the Unit of the Member. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy and no proxy shall be valid in any event for more than three years after its date of execution. Any form of proxy furnished or solicited by the Association and any form of written ballot furnished by the Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.7 Quorum at Members' Meetings. Except as may be otherwise provided in the Declaration, the Articles, or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least 10% of the votes of all Members shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of Members, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Members entitled to cast at least five percent (5%) of the

votes of all Members, shall, except as may be otherwise provided in the Declaration, the Articles, or these Bylaws, constitute a quorum at such meeting.

4.8 Adjournments of Members' Meetings. Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed thirty (30) days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally called.

4.9 Vote Required at Members' Meetings. At any meeting, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles, or these Bylaws.

4.10 Order of Business. The order of business at any meeting of Members shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) the conducting of the business for which the meeting was called; and (e) the conducting of any other business.

4.11 Officers of Meetings. At any meeting, the senior officer of the Association present shall be the Chairman who shall appoint a Secretary of the Meeting, and, if no officer of the Association is present, the Members present shall select a Chairman and Secretary of the meeting.

4.12 Expenses of Meetings. The Association shall bear the expenses of all annual meetings of Members and of special meetings of Members.

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

4.14 Action of Members Without a Meeting. Any action required to be taken or 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; provided that no action requiring the approval of Declarant shall be effective unless approved in writing by Declarant.

5. BOARD OF DIRECTORS.

5.1 General Powers of Board. The Board of Directors shall have the power to manage and supervise the affairs of the Association and shall have all powers necessary or desirable

to permit it to do so. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Association, not reserved to the Declarant or the Members, and provided in the Declaration, the Articles, these Bylaws, or the Act.

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

(a) Assessments. The power to fix and levy from time to time as it deems necessary Common Assessments, Special Assessments, and Specific Assessments upon the Members of the Association as provided in the Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Declaration.

(b) Taxes. The power to pay all taxes and assessments payable by the Association which are levied upon the Association Properties and all taxes and assessments payable by the Association. The Board of Directors shall also have the power to contest any such taxes or assessments in accordance with the provisions contained in the Declaration.

(c) Insurance. The power to contract and pay premiums for fire and casualty and blanket liability and other insurance in accordance with the provisions of the Declaration.

(d) Association Property. The power to contract for and pay bills for maintenance, legal service, accounting service, gardening, common utilities, and other materials, supplies and services relating to the Association Properties, if any, and to employ personnel necessary for the care and operation of the Association Properties, if any, and to contract and pay for necessary Improvements on the Association Properties, if any.

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

(f) Borrowing. The power, subject to obtaining the approval of the Declarant during the Declarant Control Period and thereafter, Members representing at least sixty percent (60%) of the voting power of the Association, to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the Association's name, promissory notes, bonds, debentures, mortgages, pledges, hypothecations, or other evidences of debt and security therefor.

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

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

(i) Easements. The power to grant easements where necessary for utilities and other facilities over the Association Properties to serve the Community Area as set forth in the Declaration.

(j) Rules and Regulations. The power to adopt such Rules and Regulations as the Board may deem necessary for the management of the Community Area. Such Rules and Regulations may concern, without limitation, use of the Association Properties; signs; parking restrictions; collection and disposal of refuse; minimum standards of property maintenance consistent with the Declaration and the provisions of the Design Review Committee; and any other matters within the jurisdiction of the Association as provided in the Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Declaration, the Articles, and these Bylaws.

5.3 Qualifications of Directors. A Director may be any natural person and need not be an Owner of a Lot within the Community Area. A Director may be reelected and there shall be no limit on the number of terms a Director may serve.

5.4 Number of Directors. The initial number of Directors of the Association shall be four. The number of Directors may be increased or decreased in accordance with these Bylaws; provided that the number of Directors shall not be less than three and no decrease in number shall have the effect of shortening the term of any incumbent Director and provided further that, during the Declarant Control Period, the number of Directors may not be changed without the prior written approval of Declarant.

5.5 Appointment, Election and Term of Office. Notwithstanding any other provision contained herein:

5.6 Removal of Directors. During the Declarant Control Period, Directors appointed by the Declarant may only be removed by Declarant, which Declarant may do at any time by written notice to the Board of Directors executed by Declarant. At any meeting of Members, the notice of which indicates such purpose except as provided above in this Section 5.6, any Director may be removed, with or without cause, by vote of Members voting a majority of the votes of all of the Members and a successor may be then and there elected to fill the vacancy thus created.

5.7 Resignation of Directors. Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

5.8 Vacancies in Directors. Any vacancy by a Director which Declarant is entitled to appoint may be filled only by appointment by the Declarant. Any other vacancy occurring in the Board of Directors shall, unless filled in accordance with Sections 5.5 and 5.6 or by election at a special meeting of Members, or unless required to be filled by Section 5.5 by a vote of the Members,

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. A Directorship to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Members or by appointment by the Declarant, as applicable.

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

5.10 Design Review Committee. The Association shall have a Design Review Committee with the powers and duties provided in Article 9 of the Declaration. All matters relating to the Design Review Committee shall be governed by Article 9 of the Declaration and any other provisions of the Declaration addressing the Design Review Committee.

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

5.12 General Provisions Applicable to Committees. The designation and appointment of any 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. The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required, and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors.

6. MEETINGS OF DIRECTORS.

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

6.2 Annual Meeting of Directors. Annual meetings of the Board of Directors shall be held on the same date as, or within ten (10) days following, the annual meeting of Members. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Association and the transaction of such other business as may properly come before the meeting.

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

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

6.5 Notice of Directors' Meetings. In the case of all meetings of Directors for which notice is required, notice stating the place, day and hour of the meeting shall be delivered not less than three nor more than fifty (50) days before the date of the meeting, by mail, facsimile transmission, electronic mail, telephone, or personally, by or at the direction of the persons calling the meeting, to each member of the Board of Directors. If mailed, such notice shall be deemed to be delivered at 5:00 p.m. on the second business day after it is deposited in the mail addressed to the Director at his home or business address as either appears on the records of the Association, with postage thereon prepaid. Otherwise such notice shall be deemed delivered when actually received. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

6.6 Proxies. A Director shall not be entitled to vote by proxy at any meeting of Directors.

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

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

6.9 Vote Required at Directors' Meeting. At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles, or these Bylaws; provided that, during the Declarant Control Period, any matter requiring approval shall not be adopted unless and until approved in writing by the Declarant.

6.10 Order of Business. The order of business at all meetings of Directors shall, unless changed by vote of the Directors present, be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

6.11 Officers at Meetings. The Directors shall elect a Director to act as chairman and the chairman shall appoint a Director to act as secretary at all meetings of Directors.

6.12 Waiver of Notice. A waiver of notice of any meeting of the Board of Directors, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall

constitute waiver of notice of such meeting except when the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.13 Action of Directors Without a Meeting. Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors; provided that, during the Declarant Control Period, any matter requiring approval shall not be adopted unless and until approved in writing by the Declarant.

7. OFFICERS.

7.1 Officers, Employees and Agents. The officers of the Association shall consist of a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Directors. Officers other than the President need not be Directors. No person shall simultaneously hold more than one office except the offices of Secretary and Treasurer.

7.2 Appointment and Term of Office of Officers. The officers shall be appointed by the Board of Directors at the annual meeting of the Board of Directors and shall hold office, subject to the pleasure of the Board of Directors, until the annual meeting of the Board of Directors or until their successors are appointed, whichever is later, unless the officer resigns, or is removed earlier.

7.3 Removal of Officers. Any officer, employee or agent may be removed by the Board of Directors, with or without cause at any time. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee, or agent shall not of itself create contract rights.

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

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

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

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

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

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

7.10 Bonds. The Association may require fidelity bonds covering officers or other persons handling funds of the Association. The Association shall pay the premiums for any such bonds that are required.

8. INDEMNIFICATION OF OFFICIALS AND AGENTS.

8.1 Certain Definitions. A "Corporate Official" shall mean any Director or officer and any former Director or officer of the Association and any member of the Design Review Committee. A "Corporate Employee" shall mean any employee and any former employee of the Association. "Corporate Official" and "Corporate Employee" shall not include any managing agent employed by the Association and no such person shall have rights of indemnification hereunder. "Expenses" shall mean all costs and expenses, including attorneys' fees, liabilities, obligations, judgments, and any amounts paid in reasonable settlement of a Proceeding. "Proceeding" shall mean any claim, action, suit, or proceeding, whether threatened, pending, or completed, and shall include appeals.

8.2 Right of Indemnification. Subject to satisfaction of the requirements of and to the limitations provided in Sections 8.1 and 8.2, the Association shall indemnify any Corporate Official and any Corporate Employee against any and all Expenses actually and necessarily incurred by or imposed upon him in connection with, arising out of, or resulting from, and for any judgment or other liability imposed on the Corporate Official or Employee in any Proceeding in which he may

be involved or to which he is or may be made a party by reason of (a) any act or omission occurring while acting in his official capacity as a Corporate Official or Corporate Employee or (b) any matter claimed against him solely by reason of his being a Corporate Official or Corporate Employee. The right of indemnification shall not extend to any matter as to which such indemnification would not be lawful under the laws of the State of Colorado.

8.2.1 Standards of Conduct. In order to be entitled to indemnification under this Section, the Corporate Official or Corporate Employee shall be required: (i) to have conducted himself or herself in good faith; (ii) to have reasonably believed (A) in the case of a Director acting in his or her official capacity, that his or her conduct was in the Association's best interests, or was not opposed to the Association's best interests; and (iii) to have had no reasonable cause to believe his or her conduct was unlawful.

8.2.2 Indemnification Prohibited. The right of indemnification shall not extend to any of the following:

8.2.2.1 Matters as to which the Corporate Official or Corporate Employee: (i) has been adjudged liable for gross negligence or willful misconduct in the performance of the Corporate Official's or Corporate Employee's duty to the Association; or (ii) in connection with any Proceeding charging improper personal benefit to such Corporate official or Corporate Employee, in which the party was adjudged liable on the basis that personal benefit was improperly received by such Corporate Official or Corporate Employee (even if the Association was not thereby damaged), unless any other court of competent jurisdiction to which such Corporate Official or Corporate Employee has applied determines, upon application of such Corporate Official or Corporate Employee, that despite the adjudication of liability in the circumstances in subsections 8.2.2.1 and 8.2.2.2 or whether or not the party met the applicable standards of conduct set forth in subsection 8.2.1, and in view of all relevant circumstances, the Corporate Official or Corporate Employee is fairly and reasonably entitled to indemnification for such expenses as the court deems proper in accordance with the Colorado Nonprofit Corporation Code.

8.2.2.2 Any matter as to which such indemnification would not be lawful under the laws of the State of Colorado.

8.3 Settlement. The termination of any Proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the Corporate Official or Corporate Employee did not meet the applicable standards of conduct as set forth in subsection 8.2(a).

8.4 Prior Authorization Required. Any indemnification under Section 8.2 (unless ordered by a court) shall be made by the Association only if authorized in the specific case after a determination has been made that the Corporate Official or Corporate Employee is eligible for indemnification in the circumstances because such Corporate Official or Corporate Employee has met the applicable standards of conduct set forth in Section 8.2.1 and after an evaluation has been made as to the reasonableness of the Expenses. Any such determination, evaluation and authorization shall be made by the Board of Directors by a majority vote of a quorum of such Board,

which quorum shall consist of Directors not parties to the Proceeding, or by such other person or body as permitted by law.

8.5 Advancement of Expenses. The Association shall pay for or reimburse the Expenses, or a portion thereof, incurred by a party in advance of the final disposition of the Proceeding if (a) the party furnishes the Association a written affirmation of such party's good faith belief that he or she has met the standard of conduct described in Section 8.2.1; (b) the party furnishes the Association a written undertaking, executed personally or on behalf of such party, to repay the advance if it is ultimately determined that the party did not meet such standard of conduct; and (c) authorization of payment and a determination that the facts then known to those making the determination would not preclude indemnification under this Section 8 have been made in the manner provided in Section 8.3. The undertaking required by clause (b) must be an unlimited general obligation of the party, but need not be secured, and may be accepted without reference to financial ability to make repayment.

8.6 Payment Procedures. In acting on any request for indemnification, the Association shall be entitled to request and receive such documentation supporting such request as shall be reasonable under the circumstances. The Association shall promptly act upon any request for indemnification but shall not be required to act until it has received the documentation reasonably requested and which may reasonably be provided under the circumstances. The right to indemnification and advances granted by this Section 8 shall be enforceable in any court of competent jurisdiction if the Association denies the claim, in whole or in part, or if no disposition of such claim is made within ninety (90) days after written request for indemnification is made and the documentation in support of such request reasonably requested by the Association and which may reasonably be provided under the circumstances has been provided. A party's Expenses incurred in connection with successfully establishing such party's right to indemnification, in whole or in part, in any such Proceeding shall also be paid by the Association.

8.7 Notification to Members. Any indemnification of or advance of Expenses to a Director (but not to any other party) in accordance with this Section 8, if arising out of a Proceeding by or on behalf of the Association, shall be reported in writing to the Members with or before the notice of the next meeting of Members.

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

8.9 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as may appear appropriate to the Board of Directors in each specific case and circumstances, including, but not limited to, any one or more of the following: (a) that any counsel representing the party to be indemnified in connection with the defense or settlement of any proceeding shall be counsel mutually agreeable to the party and to the Association; (b) that the Association shall have the right, assume and control the defense or settlement made,

initiated, or threatened against the party to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified party's right of recovery, and that the party to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

8.10 Other Rights and Remedies. The indemnification provided by this Section 8 shall be in addition to any other rights which a party may have or hereafter acquire under any law, provision of the Articles, any other or further provision of these Bylaws, vote of the Members or Board of Directors, agreement, or otherwise.

8.11 Applicability: Effect. The indemnification provided in this Section 8 shall be applicable to acts or omissions that occurred prior to the adoption of this Section 8, shall continue as to any party entitled to indemnification under this Section 8 who has ceased to be a Director, officer, or employee of the Association. The repeal or amendment of this Section 8 or of any provision hereof that would have the effect of limiting, qualifying, or restricting any of the powers or rights of indemnification provided or permitted in this Section 8 shall not, solely by reason of such repeal or amendment, eliminate, restrict, or otherwise affect the right or power of the Association to indemnify any person, or affect any rights of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Section 8 shall be deemed to be provided by a contract between the Association and each party covered hereby.

8.12 Indemnification of Agents. The Association shall have the right, but shall not be obligated, to indemnify any agent of the Association not otherwise covered by this Section 8 to the fullest extent permissible by the laws of Colorado. Unless otherwise provided in any separate indemnification arrangement, any such indemnification shall be made only as authorized in the specific case in the manner provided in Section 8.3.

8.13 Savings Clause: Limitation. If this Section 8 or any Section or provision hereof shall be invalidated by any court on any ground, or if the Act is amended in such a way as to affect this Section 8, then the Association shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of this Section 8 that shall not have been invalidated.

9. MISCELLANEOUS.

9.1 Amendment of Bylaws. During the Declarant Control Period, the Board of Directors shall have the power to alter, amend or repeal these Bylaws or to adopt new Bylaws; provided that no alteration, amendment, or repeal of these bylaws may, during the Declarant Control Period, be made without the written approval of the same by the Declarant. After the Declarant Control Period, the Members, at a meeting called for that purpose, shall have the sole power to alter, amend, or repeal the Bylaws and to adopt new Bylaws by a majority of votes present at the meeting, if a quorum is present. The Bylaws may contain any provision for the regulation or management of the affairs of the Association not inconsistent with law, the Declaration, or the Articles.

9.2 Compensation of Officers, Directors, and Members. No Director, officer, or Member shall have the right to receive any compensation from the Association for serving as such Director except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Directors.

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

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

9.5 Statement of Account. Upon written request of an Owner of a Unit or any person with any right, title, or interest in a Unit or intending to acquire any right, title, or interest in a Unit, the Association shall furnish a written statement of account setting forth the amount of any unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Unit, the Owner of the Unit, and the amount of the assessments for the current fiscal period of the Association payable with respect to the Unit. Such statement shall be issued within fourteen (14) business days after receipt of such request by the Association and, with respect to the party to whom it is issued, shall be conclusive against the Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other assessments have then been levied.

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

9.7 Fiscal Year. The fiscal year of the Association shall begin on January 1 and end the succeeding December 31 except that the first fiscal year shall begin on the date of incorporation. The fiscal year may be changed by the Board of Directors without amending these Bylaws; provided that no such change may be made during the Declarant Control Period without the prior written consent of the Declarant.

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

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

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

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

9.11 Limited Liability. As provided in the Articles and Declaration, the Board of Directors, the officers of the Association, the members of the Design Review Committee, Declarant, and any Member, agent, or employee of any of the same, shall not be liable to any Person for any action on behalf of the Association or for any failure to act on behalf of the Association if the action taken or failure to act was in good faith and without malice.

9.12 Special Rights of First Mortgagees. Any First Mortgagee under a Mortgage encumbering any Unit in the Community Area, upon filing a written request therefor with the Association, shall be entitled to: (a) receive written notice from the Association of any default by the Mortgagor of such Lot in the performance of the Mortgagor's obligations under the Declaration, the Articles, these Bylaws, or Rules and Regulations, which default is not cured within sixty (60) days after the Association learns of such default; and (b) examine the books and records of the Association during normal business hours.

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

9.14 Record of Mortgagees. No First Mortgagee shall be entitled to the rights and privileges provided to First Mortgagees under these Bylaws until the First Mortgagee has given notice to the Association that it is a First Mortgagee and provided the Association with a recorded copy of the Mortgage under which the First Mortgagee claims to be a First Mortgagee. Each First Mortgagee and the Owner of each Unit which has been subject to a Mortgage shall give written notice to the Association at the time of release or discharge of any such First Mortgage.

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

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

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected Secretary of McKay Landing Homeowners Association Inc., a Colorado corporation (the "Association"); and

2. The foregoing Bylaws, comprising 17 pages, including this page, constitute the Bylaws of the Association duly adopted by unanimous consent of the Board of Directors of the Association.

IN WITNESS WHEREOF, I have hereunto subscribed my hand this 27th day of November, 2000.



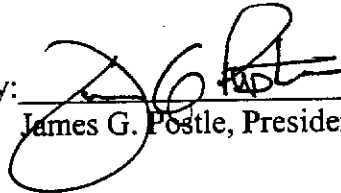
Dave Miller,
Secretary

APPROVAL BY DECLARANT

The Declarant does hereby approve the foregoing Bylaws this 25 day of November, 2000.

McKay Landing, LLC, a Colorado limited liability company

By: James Construction Co. Inc., a Colorado corporation, manager

By:  _____
James G. Postle, President