

BY-LAWS

OF

BRUSH CREEK LANDOWNERS ASSOCIATION, INC.

ARTICLE I

Offices

The principal office of the Association shall be 420 East Main Street, Aspen, Colorado, and the mailing address shall be P. O. Box 4323, Aspen, Colorado, 81611. The Board of Directors in its discretion may keep and maintain other offices within or without the State of Colorado wherever the business of the Association may require.

ARTICLE II

Object

1. The purpose for which this non-profit Association if formed is to govern, maintain, and improve the Subdivision property situated in the County of Pitkin, State of Colorado, described in Plat Book #3 at page 62, and Plat Book #3 at page 96, Pitkin County Colorado records, and which property has been submitted to the provisions of the State of Colorado as the Brush Creek Subdivision, hereinafter referred to as the "Subdivision".
2. All present or future owners, tenants and any other person that might use the facilities of the Subdivision in any manner are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Subdivision Lots, (hereinafter referred to as "Lots"), within the Subdivision or the mere act of occupancy of any of said Lots will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE III

Membership, Voting, Quorum, Proxies

1. Membership. Membership in this Association shall be limited to record Owners of the Subdivision Lots and subject to the Brush Creek Village Subdivision Protective Covenants recorded in Book 218 at pages 206 through 209, and Book 222 at pages 348 through 351, Pitkin County Colorado, records. One membership in the Association shall be issued to the record Owner of each Subdivision Lot. The record Owners of all Subdivision Lots Collectively shall constitute all the members. In the event any such Lot is owned by two or more persons, whether by joint tenancy, tenancy in common, or otherwise, the membership as to such Lot shall be joint and a single membership for such Lot shall be issued in the names of all Owners, and they shall designate to the Association in writing at the time of issuance, one person who shall hold the membership and have the power to vote said membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record Owners of Lots.
2. Transfer of Membership. A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer of title to the Lot to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Lot as further security for a loan secured by a lien on such Lot. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and

records of the Association as a member for all purposes until such time as evidence of a transfer of title satisfactory to the Association has been submitted to the Secretary-Treasurer. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to the ownership appurtenant thereto, title to the Lot, as shown in the records of the County Clerk and Recorder of Pitkin County, Colorado, shall be determinative.

3. Voting. Each member being present in person or by proxy shall be entitled to the number of votes equal to the undivided interest held by him or her in the number of Lots owned thereby. Voting rights shall be revoked if assessments are delinquent by 90 days.

4. Majority of Lot Owners. As used in these By-Laws, the term "majority" or "majority of Lot Owners" shall mean the owners of more than fifty (50%) percent in the aggregate in interest of the undivided ownership of the total existent Lots.

5. Quorum; Vote Required; Adjournment. A majority of Lot Owners, represented in person or by proxy, shall constitute a quorum at any meeting of members. If a quorum exists, the action of a majority of the votes present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting from time to time without further notice other than announcement at the meeting.

6. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary-Treasurer before the appointed time of each meeting.

7. Required Proxies. If so required by a first mortgagee of any Lot, the Owner thereof shall constitute such mortgagee the beneficiary of his interest in the Association and his attorney in fact to vote such interest by proxy; This proxy to become automatically effective upon the filing of notice by said beneficiary with the Secretary-Treasurer of the Association, and only at such time or times as the Beneficiary hereunder shall deem the security in jeopardy by reason of the failure, neglect, or refusal of the Association or the members of the Association to carry out their duties as set out and required by the By-Laws, the Articles of Incorporation, or the Protective Covenants for Brush Creek Village Subdivision. Nothing herein contained shall be construed to relieve a mortgagor of his duty as a member of the Association or to impose upon the beneficiary the duties and obligations of such membership.

ARTICLE IV

Administration

1. General. The members of the Association will have the responsibility of administering the project through a Board of Directors as herein provided.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meetings. The first annual meeting of Members of the Association shall be held within one year after the Brush Creek Landowners Association comes into lawful existence as a corporate entity under Colorado law. Thereafter the annual meetings of members of the Association shall be held on the 1st day of December, or at such other time as the members may by majority vote approve. At such meeting, members shall be elected to the Board of Directors in accordance with the requirements set forth herein. The members may also transact such other business of the Association as may properly come before them.

4. Special Meetings. Special meetings of the members for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Directors or upon a petition signed by a majority of the Lot Owners. Such petition shall state the purpose or purposes of such proposed meeting.

5. Notice of Meetings. The President or Corresponding Secretary shall give or cause to be given notice of the time, place and purpose of holding each annual or special meeting by mailing or handdelivering such notice at least fifteen days but not more than thirty days prior to such meeting to each member at the respective addresses of said members as they appear on the records of the Association.

6. Waiver of Notice. Any member may at any time waive any notice required to be given under these By-Laws, or by statute or otherwise. The presence of a member in person at any meeting of the members shall be deemed such a waiver.

7. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken at a meeting of the 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 Owners and Co-owners of memberships entitled to vote with respect to the subject matter thereof.

ARTICLE V

Board of Directors

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Directors consisting of eleven (11) members of Association. Where a member of the Association is other than a natural person, one of its officers, principals partners or agents may be elected to the Board of Directors. The number of Directors may be increased or decreased by amendment of these By-Laws; provided, however, that the number of Directors shall not be reduced to fewer than three, nor increased to more than fifteen; and by amendment of the By-Laws shall have the effect of shortening the term of any incumbent Director.

2. Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these By-Laws, the Articles of Incorporation, and in the Protective Covenants applicable to the Subdivision, and shall also include the power to promulgate such rules and regulations pertaining to such rights and duties as may be deemed proper and which are consistent with the foregoing. The Board of Directors may delegate such duties as appear in the best interest of the Association and to the extent permitted by law.

3. Qualification; Election; Term. The Board of Directors shall consist of eleven (11) members and shall be elected by the members of the Association at their annual meeting. During the first year, a majority of the membership of the initial Board of Directors shall be reelected by the members of the Association at their annual meeting. Thereafter, all Directors shall serve a term of two years and until their successors are duly elected and qualified, with the remaining Directors being reelected at the end of the second year and in each successive year, thereafter, at the annual meetings of the members of the Association.

4. Vacancies. Vacancies on the Board of Directors caused by any reason shall be filled for the unexpired term of office by vote of the majority of the remaining Directors even though they may consist of less than a quorum, and each member so elected shall be a Director until his successor is duly elected by the members of the Association at the expiration of the term.

5. Removal of Directors. At any regular or special meeting of the members, any one or more of the Directors may be removed, either with or without cause, at any time, by the affirmative vote of two-thirds (2/3) of the votes held by the entire membership, and a successor may then be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting. If a Director has three out of four unexcused

absences from meetings in a given year he is automatically replaced by the Board of Directors. The Board then replaces that Director, who serves until his successor is duly elected by the members of the Association at the expiration of the term.

6. Compensation. No compensation shall be paid to Directors for their services as Directors. No remuneration shall be paid to a Director for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors present at the meeting and constituting a quorum.

7. Meetings. There shall be regular quarterly meetings of the Board and the Board may establish regular meetings to be held at such other places and such other times as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone, or telegraph, at least fifteen days prior to the day named for the meeting.

8. Special Meetings. Special meetings of the Board of Directors may be called by the President on any notice to each Director given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meeting of the Board of Directors shall be called by the President or Corresponding Secretary in like manner and on like notice upon the written request of at least a majority of the Directors. All meetings of the Board of Directors, whether annual or special, shall be public in nature, with any member of the Association permitted to attend.

9. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such a meeting.

10. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

11. Voting. Each Director present shall be entitled to one vote. A simple majority of all of the Directors shall be required for votes concerning routine administrative matters. A two-thirds (2/3) majority of all the Directors shall be required for votes concerning the levying and collection of assessments against Lot Owners and concerning major policy decisions affecting the Subdivision.

12. Adjournments. The Board of Directors may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty days.

13. Action of Directors Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the 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 entitled to vote with respect to the subject matter thereof.

14. Executive Committee of Board of Directors. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee of the Board. The number of members of the Executive Committee and the persons who shall be members thereof shall be determined by the Board, but the number of such members shall not be fewer than three. Unless limited by resolution of the Board, the Executive Committee shall have and exercise all the authority of the Board of Directors, except that such Committee shall not have the authority of the Board of Directors in reference to amending, altering, or repealing the

By-Laws, electing, appointing or removing any member of such Committee, or any officer or Director of the Association; amending the Articles of Incorporation; restating the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another Association, authorizing the sale of assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of assets of the Association; 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. They shall not levy assessments. All of the provisions in these By-Laws with respect to notice of meetings and waivers of notice of such meetings shall be applicable to the meetings of the Executive Committee.

ARTICLE VI

Officers

1. Designation. The principal officers of the Association shall be President, a Vice President, a Secretary-Treasurer, and a Corresponding Secretary, all of whom shall be elected by and from the Board of Directors. The Directors may appoint an Assistant Secretary-Treasurer and an Assistant Corresponding Secretary, and such other officers as in their judgement may be necessary.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the regular annual meeting, and shall hold office at the pleasure of the Board.
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors present at a meeting, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.
4. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the members of the Association.
5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. ~~If neither the President nor the Vice President is able to act,~~ the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.
6. Secretary-Treasurer.
 - A. Secretary. The Secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same; and shall see that the books, reports and other documents and records of the Association are properly kept and filed, shall keep minutes of the proceedings of the members, Board of Directors and Executive Committee, shall keep at the registered office of the Association a record of the names and addresses of the Owners and Co-Owners entitled to vote; and, in general, shall perform all 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, inability or failure to act.
 - B. 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 books and records 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, inability or failure to act.

7. Corresponding Secretary. The corresponding Secretary shall handle all correspondence with the Association's membership, shall see that all notices are duly given in accordance with the provisions of these By-laws and as required by law, shall handle any other correspondence that may be assigned to him by the Board, 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 Corresponding Secretaries who may act in place of the Corresponding Secretary in case of his death, absence, inability or failure to act.

8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been unanimously adopted by the Board of Directors before the services are undertaken.

ARTICLE VII

Indemnification of Officers and Directors

The Association shall indemnify every Director or Officer, his heirs, executors, administrators and representatives against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or Officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Board of Directors may determine that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any duties or obligations assumed or liabilities incurred by him under and by virtue of Colorado law as a member or Owner of a Lot covered thereby. All officers dispensing moneys shall be properly bonded when so determined by the Board of Directors.

ARTICLE VIII

Corporate Seal

1. The Board of Directors shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary-Treasurer.
2. The corporate seal shall be in circular form and shall have inscribed thereon the name of the Association and the word "Colorado" in the circle and the word "Seal" in the middle. If and when so directed by the Board of Directors, a duplicate seal may be kept and used by such Officer or other person as the Board of Directors shall name.

ARTICLE IX

Miscellaneous

1. Contracts. The Board of Directors may authorize any officer or agent of the Association to enter into any contract or execute and deliver any

instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or these By-laws.

2. Auditing. At the closing of each fiscal year, the books and records of the Association shall be audited by a Certified Public Accountant, whose report will be prepared and certified. Based on such reports the Association shall supply to all members a statement of the income and disbursements of the Association for each fiscal year.
3. Inspection of Books. Financial reports, such as are required to be furnished, and the membership records of the Association shall be available at the principle offices of the Association for inspection at reasonable times by any members.
4. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by any two Officers of the Association.
5. Fiscal Year. The fiscal year of the Association shall be determined by the Board of Directors and shall be subject to change by the Board of Directors should Association practice subsequently necessitate such change.
6. Budget. At each annual meeting of the members of the Association the Board of Directors shall present of approval thereby a proposed budget for the operation of the Subdivision during the forthcoming year. Said budget shall include such items of expense as shall be determined from time to time by the Board of Directors.
7. Notices. All notices, demands or other notices intended to be served upon the Association or its Board of Directors shall be sent by registered or certified mail, postage prepaid, to the following address: Post Office Box 4323, Aspen, Colorado, 81611, unless and until this By-law be amended to the contrary.

ARTICLE X

Assessments

1. Purpose. The Board of Directors shall fix, levy and collect semi-annual assessments against all Lots based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Association and the furnishing of common utility services to each Lot, which estimates may make provision for inter alia: snow plowing; garbage collection; road creation and maintenance; installation of underground utilities; maintenance and operation of any and all common area, open space portions located within the geographical confines of the Subdivision; street lighting; sewer service charges; repairs and maintenance; legal and accounting fees; wages for Association employees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners.
2. Accounting Procedure. At least once each year, the Board shall estimate the annual budget of common expenses to be assessed against the Association membership. Said annual budget shall be assessed to the Lot Owners according to each Lot Owner's percentage of the total existent Lots in the Subdivision. On or before the first of December of each calendar year, each Lot Owner shall be obligated to pay to the Board of Directors all of the assessment, and on or before the first of June of each calendar year, one-half of the assessment made pursuant to this paragraph. At the time of the annual meeting, the Board shall supply to all Lot Owners an itemized accounting of the common expenses for the previous calendar year actually incurred and paid, together with a tabulation of the amounts collected in accordance to the estimates provided and showing the net amount over or short of the actual expenditures plus reserves. Any amount accumulated in excess of the amount required for actual expenses and reserves shall be credited, according to each Owner's percentage of ownership, to the next semi-annual installments due from Owners under the current year's estimate until exhausted, and any net shortage shall be added

in a similar manner to the installments due in the succeeding six months after rendering of the accounting. The Board shall build up and maintain a reasonable reserve for contingencies and replacements. Extraordinary expenditures not originally included in the annual budget which may become necessary during the year shall be charged first against the reserve, and then, in the event of an insufficiency, the Board may at any time levy a special assessment to be charged in like manner against Lot Owners upon due notice to same of said special assessment. In the event of such a special assessment, it shall become due with the next general assessment which is owed more than ten days after delivery or mailing of such notice of special assessment. All Lot Owners shall be obligated to pay such an assessment.

3. Amount of Assessment. The total amount assessable by the Board of Directors against an individual Lot shall not exceed One Hundred Fifty and XX/100 (\$150.00) dollars in an individual calendar year.

4. Default in Payment. In addition to the remedies provided by Colorado law, if a Lot Owner or Owners is in default in the semi-annual payment of any assessment for 90 days or more the Board of Directors shall have the right to place a lien on such Lot superior to all other liens and encumbrances, except only for tax and special assessment liens in favor of any governmental assessing authority assessment liens in favor of any governmental assessing authority and/or all sums unpaid on a first deed of trust or mortgage of record in Pitkin County. To evidence such lien the Board shall cause to be prepared a written notice of lien with all pertinent information which shall be filed for record in Pitkin County. Such lien shall attach from the date of failure of payment. The Board may thereafter bring suit for and on behalf of itself and as representative of the Association membership, to enforce collection thereof or to foreclose the lien thereon; and there shall be added to the amount due the costs of said legal action together with interest at a lawful rate and reasonable attorneys' fees to be fixed by the Court. Any encumbrancer of the Lot in question may without being required to, pay any unpaid assessments owed with respect to the Lot and upon such payment said encumbrancer shall have a lien on such Lot for the amounts paid of the same rank as the lien of his encumbrance. The Association shall, upon written demand, provide any encumbrancer with a report of any unpaid assessments remaining unpaid for longer than sixty days. Assessments or other charges assessed against a Lot shall be personal and the individual debts of the Owner or Owners thereof and such Owners shall be jointly and severally liable therefor. Sale of said Lot shall not extinguish said debt but instead shall make the grantee or grantees of said Lot jointly and severally liable with the grantor or grantors of same for all unpaid assessments and by the latter without in any way prejudicing the rights of said grantee or grantees to recover from the grantor or grantors the amounts paid by the grantee or grantees therefor. Upon payment of a reasonable Fee, not to exceed Fifteen and XX/100 (\$15.00) and upon written demand the Board shall issue a written statement of assessments owed, if any, with respect to the Lot in question.

ARTICLE XI

Amendments

1. Amendment by the Directors. The Directors of the Association by the affirmative vote of four-fifths ($4/5$) of all of the Directors of the Association, may amend or alter the By-laws of the Association at any regular meeting or at any special meeting provided that no such alteration or amendment by the Board of Directors shall increase the powers of the Board of Directors.

2. Amendment by Membership. At any given time, by special election, a simple majority vote of the membership may amend or alter the By-laws of this Association to decrease or increase the powers of the Board of Directors. A statement of any proposed amendment shall accompany notice of any meeting at which such proposed amendment shall be voted upon. These By-laws may not be amended insofar as such amendment would be inconsistent with the Articles of Incorporation and Protective Covenants as amended.

ARTICLE XII

Compatibility With and Incorporation of
Other Association Documentation

Nothing in these By-laws shall be interpreted as being in conflict with the Articles of Incorporation and the Protective Covenants of the Brush Creek Village Subdivision as amended. Moreover, these By-laws shall be deemed to incorporate fully and so do by this reference the entire Protective Covenants of the Brush Creek Village Subdivision as amended.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals this _____ day of _____, _____.

INITIAL BOARD OF DIRECTORS

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary-Treasurer of the Association known as the Brush Creek Landowners Association, Inc., does hereby certify that the above and foregoing By-laws were duly adopted by the Initial Board of Directors of the said Association on _____, _____, and that they do now constitute the By-laws of said Association.

Attest:

(Seal)

Secretary-Treasurer