

BYLAWS OF HIDDEN POINTE HOMEOWNERS ASSOCIATION

ARTICLE I GENERAL

1.1 Purpose of Bylaws: These Bylaws are adopted for the regulation and management of the affairs of Hidden Pointe Homeowners Association (the "Association"). The Association has been organized as a Colorado corporation under the Colorado Nonprofit Corporation Act in conformance with the Colorado Common Interest Ownership Act to be and constitutes the Association under the Declaration of Covenants, Conditions and Restrictions of Hidden Pointe ("Declaration"). The Declaration has been executed on behalf of 216 Valley Group, a Colorado limited partnership, as the "Declarant" thereunder. The Declaration relates to the real property in Douglas County, Colorado, which is or may become subject to the Declaration (the "Property").

1.2 Terms Defined in the Declaration: Initially capitalized terms used in these Bylaws which are 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 provisions of the Colorado Nonprofit Corporation Act, the Colorado Common Interest Ownership Act, the Declaration and the Articles of Incorporation of the Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

ARTICLE II 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, provided that the principal office of the Association shall be located within Denver County, Colorado.

2.2 Registered Office and Agent: The Colorado Nonprofit Corporation 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 of Incorporation of the Association but may be changed by the Association at any time, without amendment to the Articles of (continued next page)

Incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

ARTICLE III MEMBERS VOTING MEMBERS AND VOTING RIGHTS

3.1 General: The membership and voting rights provisions contained in the Declaration (including, without limitation, Sections 4.2.1, 4.2.2, 4.2.3, and 4.2.4) are hereby incorporated into these Bylaws by this reference. As Section 4.2.1 states, every owner shall be a Member of the Association and shall remain a Member for so long as that Person continues to be an Owner. The Association shall have only one class of Members and each member shall be entitled to one vote for each Lot owned by such Member.

3.2 Designated Representative: In all cases in which a Member is other than a natural person, such Member shall designate in a written instrument one natural person as the voting' representative of such Member. Such Member shall furnish a copy of such instrument to the Association, and such instrument shall remain in full force and effect until revoked by written instrument filed with the Association or replaced by a subsequent instrument filed with the Association designating a substitute voting representative. Only the voting representative so designed may cast a vote or issue a proxy on behalf of such Member. If such Member fails to designate a voting representative in a written instrument filed with the Association, then such Member shall be treated as having abstained from any vote made by the Members at any meeting held at any time prior to five (5) days after such written instrument is received by the Association.

3.3 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 the 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 the Declarant to vote or relating to the manner of exercise by the 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 the Members has been duly called pursuant to the provisions of these Bylaws if a quorum is present at such meeting.

3.4 Suspension of Voting Rights: The Board of Directors may suspend, after notice and hearing and in accordance with the provisions of Article X, the voting rights of a Member during and (continued next page)

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following any breach by such Member of any provision of the Declaration, any Rule adopted by the Board of Directors or the Design Guidelines.

3.5 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 Lot 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.

ARTICLE IV MEETINGS OF MEMBERS

4.1 Place of Members Meetings: Meetings of the Members shall be held at the principal office of the Association or at such other place, within or convenient to the Property, 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 June of each year beginning in June of 1996 on such day 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, excluding votes of the Declarant, or by Members holding not less than 25% of the total votes of all Members, including votes of the Declarant. No business shall be transacted at a special meeting of the Voting 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 the 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 the Members. The record date shall be not more than fifty (50) days prior to the meeting of the Members or the event requiring a determination of the Members.

4.5 Notice of Members Meetings: Written notice stating the place, day and hour of the meeting shall be delivered not less than ten (10) nor more than fifty (50) days before the direction of the President or the Secretary of the Association or the officers or (continued next page)

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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. 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 three (3) days after being deposited in the United States mail, postage prepaid, addressed to the Member at the address for such Member appearing in the records of the Association. Such notice may be posted in a conspicuous place in the Property, and such notice shall be deemed to be delivered to any Member by such posting if such Member has not furnished to the Association an address for mailing of notices.

4.6 Proxies: A member (or, as applicable, a Member's designated voting representative) that is entitled to vote may vote in person or by proxy, provided the proxy is executed in writing by the Member or such Member's duly authorized attorney-in-fact and filed with the chairman of the meeting prior to the time the proxy is exercised. A Voting Member's proxy may be revocable 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 a change in the membership of a Member on the books of the Association. No proxy shall be valid after eleven (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 (3) years after its date of execution. Any form of proxy furnished or solicited by the Association shall afford an opportunity thereon for the 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 Meeting: Except as may be otherwise provided in the Declaration, the Articles of Incorporation of these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of the 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 the 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 5% of the votes of all Members, shall, except as may be otherwise provided in the Declaration, the Articles of Incorporation or thereby Bylaws, constitute a quorum at such meeting.

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4.8 Adjournment 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 is present in person or by proxy, without notice other than 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 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 Meeting: At any meeting, if a quorum is present, a majority (i.e., more than 50%) 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 of Incorporation, or these Bylaws.

4.10 Order of Business: The order of business at any meeting of the 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; and (d) the conducting of the business for which the meeting was called.

4.11 Officers of Meetings: At any meeting, the President of the Association shall act as chairman and the Members present shall select a Secretary of the meeting.

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

4.13 Waiver of Notice: A waiver of notice of any meeting of the 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 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 Members entitled to vote with respect to the subject matter of such action.

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ARTICLE V BOARD OF DIRECTORS

5.1 General Powers and Duties of Board: The Board of Directors (sometimes referred to as the "Board") shall have the duty 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 Owners in the Declaration, the Articles of Incorporation, these Bylaws, the Colorado Nonprofit Corporation Act, or the Colorado Common Interest Ownership Act.

Further, the Board of Directors may delegate any portion of its authority to an executive committee or an officer, executive manager or director for the Association.

5.2 Special Powers and Duties of Board: Without limiting the foregoing statement of general powers and duties of the Board of Directors or the powers and duties 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 specific powers and duties set forth in Section 4.12 of the Declaration.

5.3 Qualifications of Directors: A director appointed by the Declarant in accordance with the provisions of Section 5.5 of these Bylaws may be any natural person and need not be an Owner of a Lot. A Director elected or appointed after the Period of Declarant Control shall be a natural person who is an Owner of a Lot or a natural person who is one of several persons constituting the Owner of a Lot. 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 number of Directors of the Association shall be three (3), and no decrease in number shall have the effect of shortening the term of any incumbent director.

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

(a) During the period of Declarant Control, all Directors shall be appointees of the Declarant. All Directors appointed by the Declarant shall be subject to removal at any time and from time to time, by the Declarant, in its sole and absolute discretion.

(b) Not later than sixty (60) days after conveyance of 25% of the Lots that may be created to Owners other than Declarant, at least one Member and not less than 25% of the Members of the Board must be elected by other than the Declarant. Not later than sixty (60) days after conveyance of 50% of the Lots that may be created to Owners other than Declarant, not less than 33.3% of the (continued next page)

Members of the Board must be elected by Owners other than Declarant .

(c) Not later than the termination of the Period of Declarant Control, the Owners shall elect a Board of at least three members, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The Board shall elect the officers. The Board members and officers shall take office upon termination of the Period of Declarant Control.

(d) The Directors elected pursuant to subsection 5.5(c) shall each serve a term of three years, except the Members of the initial Board so elected, of which one-third will serve for one year, one-third for two years and one-third for three years. If at any time the number of members of the Board is increased or decreased, the terms of the members elected to fill the vacancies thereby created shall be adjusted so as to achieve properly staggered terms thereafter. If the number of Members of the Board is not divisible by three, the closest staggering possible based on three-year terms shall be used (e.g., Members - 2, 2, 1).

5.6 Removal of Directors: Notwithstanding any provision of the Declaration or Bylaws to the contrary, the Owners, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any members of the Board with or without cause, other than a member appointed by the Declarant. A successor may be then and there elected to fill the vacancy.

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 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 the owners, 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 or her 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 Owners.

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 (continued next page)

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specified in the Colorado Nonprofit Corporation Act as matters which such committee may not have and exercise the authority of the Board of Directors.

5.10 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 Owners 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.

5.3.1 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 meetings, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of the Board of Directors shall be applicable to meetings of committees of the Board of Directors.

5.12 Manager or Managing Agent: The Board of Directors, by resolution accepted by a majority of the Directors in office, may designate and appoint a manager or a managing agent, or both, which manager or managing agent shall have and exercise those powers and shall fulfill those duties of the Board of Directors as shall be specified in any such resolution. Such manager or managing agent may be an affiliate of the Declarant. Any such resolution may delegate all or substantially all of the powers and duties of the Board of Directors to any such manager or managing agent but the Board, in delegating powers and duties to any such manager or managing agent, shall not be relieved of its responsibilities under the Declaration.

5.13 Declarant's Duty to Transfer Property: Within sixty (60) days after the Owners, other than the Declarant, elect a majority of the owners of the Board, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant including, without limitation, the following items:

(a) the original or a certified copy of the recorded Declaration as amended, the Association's Articles of Incorporation, Bylaws, minute books, other books and records, and any Rules and regulations which may have been promulgated;

(b) An accounting for Association funds and financial statements, from the date the Association received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, (continued next page)

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expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for, or charged to, the Association.

(c) The Association funds or control thereof;

(d) All of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Areas, and inventories of these properties;

(e) A copy of any Plans and Specifications used in the construction of the improvements in the Property which were completed within two years before the Declaration was recorded;

(f) All insurance policies then in force, in which the Owners, the Association, or its directors and officers are named as insured persons;

(g) Copies of any certificates of occupancy that may have been issued with respect to any improvements located on a portion of the Common Area;

(h) any other permits issued by governmental bodies applicable to Association Property and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(i) Written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective and which relate to Association Property;

(j) A roster of Owners and Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant 'S records;

(k) Employment contracts in which the Association is a contracting party; and

(l) Any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the persons performing the services.

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ARTICLE VI 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, within or convenient to the Property, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 Annual Meetings 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 the Owners. The business to be conducted at the annual meeting of the Board 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. No prior notice of the annual meeting of the Board of Directors shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of the Owners at which the Board of Directors is announced at such annual meeting of the Owners.

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 Owners of the Board of Directors of the Association.

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 (3) nor more than fifty (50) days before the date of the meeting, by mail, telegraph, 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 three (3) days after it is deposited in the mail addressed to the Director at his home or business address as either appears in the records of the Association, with postage thereon prepaid. If telegraphed, such notice shall be deemed delivered at 5:00 p.m. on the next calendar day after it is deposited in a telegraph office addressed to the Director at either such address, with all charges thereon prepaid. If by telephone, such notice shall be deemed to be delivered when given by telephone to the Director or to any person answering the phone who sounds competent and mature at his or her home or business phone number as either appears on the records of the Association. If given personally, such notice shall be deemed to be delivered upon delivery of a copy of a written notice to, or upon verbally advising, the Director or (continued next page)

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some person who appears competent and mature at his or her home or business address as either appears on the records of the Association. 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 Director 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 the originally required 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 concerning a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Declaration, the Articles of Incorporation, or these Bylaws.

6.10 Order of Business: The order of business at all meetings of the Board of Directors shall be as follows: (a) roll; (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 of Meetings: The President shall act as chairman and the Board of Directors shall elect 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.

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6.2.3 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.

ARTICLE VII

OFFICERS

7.2. Officers Employees and Agents: The Officers of the Association shall consist of a President, a Secretary, a Treasurer and such other officers, assistant officers, employees and agent as may be deemed necessary by the Board of Directors. Officers other than the President need not be Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

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 next 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: An Officer, employee or agent may be removed by the Board of Directors, with or without cause, whenever in the Board's judgment the best interests of the Association will be served thereby. 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 may be filled by the Board of Directors. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her 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 powers generally attributable to the chief executive officer of a corporation. The (continued next page)

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President shall preside at all meetings of the Board of Directors and of the Owners of the Association.

7.7 Vice President: The Vice President, if any, 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 and the seal of the Association and shall affix the seal to all documents requiring the same; shall prepare, execute, certify, and record amendments to the Declaration on behalf 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 the owners, 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 Owners and the voting representative, if any, of each Owner; 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 or her 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 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 transaction and condition of the Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; shall arrange for the annual report required under Section 9.4 of these Bylaws; 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 or her death, absence or inability to act.

ARTICLE VIII

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. A "Corporate Employee" shall mean any employee and any former employee of the Association. "Corporate Official" and "Corporate Employee" shall not include any officer, director, agent (continued next page)

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or employee of the Declarant or of any managing agent employed by the Association and no such persons 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: 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, any Proceeding in which he may be involved or to which he is or may be made a party by reasons of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty 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.

(a) The Association shall indemnify any Corporate Official and any Corporate Employee against liability incurred in or as a result of the Proceeding if the Corporate Official or Corporate Employee: (i) conducted himself or herself in good faith; (ii) 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 interest, or (B) in all other cases, that the Corporate Official's or Corporate Employee's conduct was at least not opposed to the Association's best interest; and (iii) in the case of any criminal proceeding, the Corporate Official and Corporate Employee had no reasonable cause to believe his or her conduct was unlawful;

(b) The termination of any Proceeding by judgment, order, settlement or conviction, 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); and

(c) The right of indemnification shall not extend to 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, was adjudged liable on the basis that personal benefit was improperly received by such Corporate Official or Corporate Employee (even if the Association (continued next page)

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was not thereby damaged). Notwithstanding the foregoing, the Association shall indemnify such Corporate Official or Corporate Employee if and to the extent required by the court conducting the Proceeding, or any other court of competent jurisdiction to which such Corporate official or Corporate Employee has applied, if it is determined by such court, upon application by such Corporate Official or Corporate Employee, that despite the adjudication of liability in the circumstances in clauses (i) and (ii) of this subsection 8.2(c) or whether or not the party met the applicable standards of conduct set forth in subsection 8.2(a), 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 Act.

8.3 Prior Authorization Required: Any indemnification under Section 8.2 (unless ordered by a court) shall be made by the Association only if authorized by 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 subsection 8.2(a) 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 the Board, which quorum shall consist of Directors not parties to the Proceeding, or by such other persons or body as permitted by law.

8.4 Success on Merits or other-wise: Notwithstanding any other provision of this Article VIII, the Association shall indemnify such Corporate Official or Corporate Employee to the extent that such party has been successful, on the merits or otherwise, including, without limitation, dismissal without prejudice or settlement without admission of liability, in defense of any Proceeding to which the party was a party against Expenses incurred by such party in connection therewith.

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 subsection 8.2(a)(i); (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 Article VIII 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 (continued next page)

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not be secured and may be accepted without reference to financial ability to make repayment.

8.6 Payment Procedures: The Association shall promptly act upon any request for indemnification, which request must be in writing and accompanied by the order of the court or other reasonably satisfactory evidence documenting disposition of the Proceeding in the case of indemnification under Section 8.4 and by the written affirmation and undertaking to repay as required by Section 8.5 in the case of indemnification under such Section 8.5. The right to indemnification and advances granted by this Article 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. 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 Voting Members: Any indemnification of or advance of Expenses to a Director (but not to any other party) in accordance with this Article VIII, if arising out of a Proceeding by or on behalf of the Association, shall be reported in writing to the Owners with or before the notice of the next meeting of the Owners.

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 VIII, 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, at its option, to assume and control the defense or settlement of any Proceeding 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.

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

8.12. Applicability Effect: The indemnification provided in this Article VIII shall be applicable to acts or omissions that occurred prior to the adoption of this Article VIII and shall continue as to any party entitled to indemnification under this Article VIII who has ceased to be a Director, Officer, or employee of the Association. The repeal or amendment of this Article VIII or of any Section or 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 Article VIII 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 or such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Article VIII shall be deemed to be provided by a contract between the Association and each party covered thereby.

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 Article VIII 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 Article VIII or any Section or provision hereof shall be invalidated by any court on any ground, or if the Colorado Nonprofit Corporation Act is amended in such a way as to affect this Article VIII, then the Association shall nevertheless indemnify each party otherwise permitted by law or any applicable provision of this Article VIII that shall not have been invalidated.

ARTICLE IX MISCELLANEOUS

9.1 Amendment of Bylaws: The Board of Directors shall not have the power to alter, amend or repeal these Bylaws or to adopt new Bylaws. The Voting 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 (continued next page)

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Articles of Incorporation. Notwithstanding anything to the contrary contained herein, prior to the Owners having elected a majority of the Board, these Bylaws shall not be amended without the Declarant's prior written consent and approval.

9.2 Compensation of Officers Directors and Members: No Director shall have the right to receive any compensation from the Association for serving as a Director except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Directors. Officers, agents and employees shall receive such reasonable compensation as may be approved by the Board of Directors. Appointment of a person as an officer, agent or employee shall not, of itself, create any right to compensation.

9.3 Books and Records: The 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 Owners (including the Declarant) and copies of the Declaration, the Rules, the Design Guidelines, the Articles of Incorporate and these Bylaws which may be purchased by any Member at reasonable cost. All books and records of the Association, including the Articles of Incorporation and these Bylaws, as amended and minutes of meetings of the Owners and Directors may be inspected by any Member, or such Member's agent or attorney, 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 weeks 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 shall cause to be prepared and distributed to each Owner, 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 Owners may be found. At the discretion of the Board of Directors, the financial statements of the Association may be reviewed by an independent public accountant and, if applicable, a report based upon such review shall be included in the annual report.

9.5 Statement of Account: Upon payment of reasonable fee to be determined by the Association and upon written request of an Owner or any person with any right, title or interest in a Lot or intending to acquire any right, title or interest in a Lot, 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 Lot or the (continued next page)

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Owner of the Lot and the amount of the Assessments for the current fiscal period of the Association payable with respect to the Lot. Such statement shall, with respect to the party to whom it is issued, 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 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.

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, Voting 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 of Incorporation and Declaration, the Association, the Board of Directors, the Architectural Review Committee, the Declarant, any member, and any officer, director, partner, agent or employee of any of the same, shall not be liable to any Person or entity for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

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9.12 Minutes and Presumptions Thereunder: Minutes or any similar records of the meetings of the Voting 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.

9.13 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.

9.14 Execution of Document: 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.

ARTICLE X NOTICE AND SEARING PROCEDURE

10.1 Association's Enforcement Rights: In the event an alleged violation by a Member ("Respondent") of the Declaration, these Bylaws, the Rules or the Design Guidelines, the Board of Directors in addition to its other rights and powers as set forth in these Bylaws and the Declaration, shall have the right, after notice and hearing as hereinafter provided, and upon an affirmative vote of a majority of all Directors, on the Board, to take any one or more of the following actions: (a) levy reimbursement costs for damages to the Common Area, as provided in the Declaration; (b) suspend or condition the right of such Member and anyone claiming through such Member to the use and enjoyment of the Common Area, to the extent any such person is otherwise entitled to such use; (C) suspend a Voting Member's voting privileges as a voting Member, as provided in the Declaration; or (d) record a notice of noncompliance against the Lot of the Respondent. Any such suspension shall be for a period of not more than thirty (30) days for any non-continuing infraction, but in the case of a continuing infraction (such as nonpayment of any Assessment after the same becomes delinquent) such suspension may be imposed for so long as the violation continues. The failure of the Board or the Architectural Review Committee to enforce the Design Guidelines, the Rules, these Bylaws or the Declaration shall not constitute a waiver of the right to enforce the same thereafter. The remedies (continued next page)

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set forth above and otherwise provided in the Declaration, the Rules, the Design Guidelines or these Bylaws shall be cumulative and none shall be exclusive. However, any individual Member must exhaust all available internal remedies of the Association prescribed by these Bylaws, the Rules and the Design Guidelines, before that Member may resort to a court of law for relief with respect to any alleged violation by another Member of the Declaration, the Rules, these Bylaws, or the Design Guidelines, provided that the foregoing limitation pertaining to exhausting administrative remedies shall not apply to the Board or to any Member where the complaint alleges nonpayment of any Assessments.

10.2 Written Complaint: A hearing to determine whether enforcement action under the Declaration, the Rules, the Design Guidelines or these Bylaws should be taken shall be initiated by the filing of a written complaint (a "Complaint") by any Member or any Officer or Member of the Board of Directors or the Architectural Review Committee with the President of the Association or other presiding member of the Board. The Complaint shall contain a written statement of charges which shall set forth in ordinary and concise language the acts or omissions with which the Respondent is charged and a reference to the specific provisions of the Declaration, the Rules, the Design Guidelines or these Bylaws which the Respondent is alleged to have violated.

10.3 Notice of Complaint and Notice of Defense: A copy of the Complaint shall be delivered to the Respondent in accordance with the notice provisions set forth in the Declaration. The Respondent shall be entitled to a hearing on the merits of the matter only if such a hearing is requested in writing within fifteen (15) days of receipt of the Complaint.

10.4 Notice of Hearing: The Board of Directors shall serve a written notice of hearing on all parties at least ten (10) days prior to the hearing, if such hearing is requested by the Respondent. The hearing shall be held no sooner than thirty (30) days after the Complaint is mailed or delivered to the Respondent as provided in Section 10.3 of these Bylaws.

10.5 Hearing: The hearing shall be conducted in accordance with rules established for such purpose by the Board of Directors from time to time.

10.6 Decision: If the Respondent fails to request a hearing as provided in Section 10.3 of these Bylaws, or fails to appear at a hearing, the Board of Directors may take action based upon the evidence presented to it without notice to the Respondent. The Board of directors will prepare written findings of fact and shall make its determination only in accordance with these Bylaws. After all testimony and documentary evidence has been presented the Board of Directors shall vote by secret written ballot upon the matter, with a majority of the entire Board of Directors controlling.

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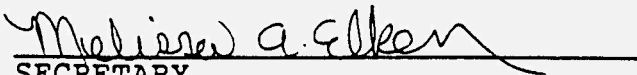
Disciplinary action and levy of reimbursement costs for damage to the Common Area under the Declaration, these Bylaws, the Rules or the Design Guidelines shall be imposed only by the Board of Directors and in accordance with the findings of fact. The decision of the Board shall be in writing and shall be provided to the parties. The decision of the Board shall become effective ten days after it is served upon the Respondent, unless otherwise ordered in writing by the Board of Directors. The Board may order a reconsideration, at any time within fifteen (15) days following service of its decision on the involved persons on its own motion or on petition by any party. However, no action against the Member arising from the alleged violations shall take effect prior to the expiration of the later of (1) fifteen (15) days after the Member's receipt of the notice of a hearing; or (b) five (5) days after the hearing required herein.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary of Hidden Pointe Homeowners Association, a Colorado nonprofit corporation (the "Association"); and
2. The foregoing Bylaws constitute the Bylaws of the Association duly adopted by unanimous consent of the Board of Directors of the Association.

IN WITNESS WHEREOF, I have hereunder subscribed my hand and affixed the seal of the Association this 23rd day of May, 1996.


SECRETARY

[SEAL]

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