

**BYLAWS
OF
SUNDANCE VILLAGE CONDOMINIUM ASSOCIATION, INC.**

ARTICLE 1. NAME AND LOCATION

The name of the corporation is Sundance Village Condominium Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be 8400 East Prentice Avenue, Suite 1500, Greenwood Village, Colorado 80112, but meetings of Members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Board of Directors of the Association ("Board of Directors" or "Board").

ARTICLE 2. PURPOSE

The purpose for which the Association is formed is to govern the Community, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Declaration of Covenants, Conditions and Restrictions of Sundance Village Condominiums, and all amendments, clarifications and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of Mesa County, Colorado ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Sundance Village Condominium Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado ("Articles of Incorporation"). All present and future Owners, tenants, occupants, and any other Person who may use any Unit, the Common Elements, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Governing Documents. The mere acquisition, rental or occupancy of any Unit, or any portion thereof, shall signify that all terms and provisions of the Governing Documents are accepted, ratified and shall be complied with.

ARTICLE 3. MEETINGS OF MEMBERS

Section 3.1. Annual Meetings. The Association shall each year hold an annual meeting of the Members, the time, date and location of which shall be set from time to time by the Board. At the annual meeting of the Association, the Members shall elect directors to fill vacancies and may conduct such other business as may properly come before the meeting.

Section 3.2. Special Meetings. Special meetings of the Members may be called at any time by the president or by a majority of the Board of Directors or by Owners having at least twenty percent (20%) of the votes of the Association.

Section 3.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association or Person authorized to call the meeting. Not less than ten (10) nor more than fifty (50) days in advance of such meeting, the Person giving such notice shall cause notice of the meeting to be hand delivered or sent prepaid by United States first class mail to the mailing address of each Unit or to any other mailing address designated in writing by the Owner. The notice of any meeting must state the time and place of the meeting and

the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or director.

Section 3.4. Quorum and Voting Requirements.

3.4.1. A quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes that may be cast on a matter are present, in person or by proxy, at the beginning of the meeting. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

3.4.2. Voting shall be conducted in the manner selected by the meeting chair. If CCIOA or other applicable law requires, voting shall be conducted by secret ballot or as otherwise required.

3.4.3. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, action on all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, is approved if the votes cast favoring such action exceed the votes cast opposing such action.

Section 3.5. Proxies.

3.5.1. If only one (1) of the multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Unit. If more than one (1) of the multiple Owners of a Unit are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one (1) of the multiple Owners casts the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

3.5.2. The vote allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one (1) Person, any Owner of such Unit may register protest to the casting of a vote by any other Owner of such Unit through a duly executed proxy; but each Unit shall only have one (1) vote allocated to it, as provided in the Declaration. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice.

Section 3.6. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of the Members may be taken without a meeting if the Association delivers (by mail or otherwise) a written ballot to every Member entitled to vote on the matter which sets forth each proposed action and provides an opportunity to vote for or against each proposed action. Approval by written ballot is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Solicitations for vote by written ballot must be accompanied by written information sufficient to permit a Member to reach an informed decision on the matter and must specify:

3.6.1. the number of responses needed to meet the quorum requirements;

3.6.2. the percentage of approvals necessary to approve each matter other than election of the directors; and

3.6.3. the time by which a ballot must be received in order to be counted.

Section 3.7. Security Interest Holders. Each Security Interest Holder shall have the right to designate a representative to attend all meetings of Members.

ARTICLE 4. BOARD OF DIRECTORS – NOMINATION - ELECTION - TERM OF OFFICE

Section 4.1. Number. The affairs of this Association shall be managed by a Board of Directors of three (3) directors, except that the Board which shall serve until twenty-five percent (25%) of the Units have been conveyed to Owners other than the Declarant shall consist of two (2) directors. Directors shall be Members and in the case of any Members who are not natural persons, may include the officers, directors, partners, employees, members, or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to time by a vote of the Board of Directors.

Section 4.2. Power to Appoint or Elect. During the 75% Control Period the Declarant shall have the power to appoint the directors as more fully described in the Declaration. Subject to the Declarant's right to appoint, the Members shall elect the directors.

Section 4.3. Nomination. Nomination for election to the Board of Directors may be made by a nominating committee if such a committee is appointed, from time to time, by the Board of Directors. Nominations may also be made from the floor at any Member meeting.

Section 4.4. Election. Members shall elect the same number of directors as there are directors whose terms expire at the time of such election. The nominee(s) receiving the most votes shall be elected as director(s). At each election of directors, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. Cumulative voting is not permitted.

Section 4.5. Term of Office.

4.5.1. Any director appointed by the Declarant during the 75% Control Period shall serve until such director's appointed or elected successor takes office.

4.5.2. Within sixty (60) days of the time at which 25% of the Units that May Be Created have been conveyed to Owners other than the Declarant, a meeting of the Members shall be held at which the Members (other than the Declarant) shall elect a sufficient number of directors (other than those appointed by the Declarant) to constitute at least one (1) but not less than twenty-five percent (25%) of the Board, provided that the Declarant reserves

the right to appoint a majority of the Board. These directors shall serve until the next annual meeting of the Association.

4.5.3. Within sixty (60) days of the time at which 50% of the Units that May Be Created have been conveyed to Owners other than the Declarant, a meeting of the Members shall be held at which the Members (other than the Declarant) shall elect a sufficient number of directors (other than those appointed by the Declarant) to constitute at least one (1) but not less than thirty three and one-third percent (33 1/3%) of the Board, provided that the Declarant reserves the right to appoint a majority of the Board. These directors shall serve until the next annual meeting of the Association.

4.5.4. After termination of the 75% Control Period, a meeting of the Members shall be held at which the Members shall elect directors to replace the Declarant-appointed directors, and all elected directors shall serve until the next annual meeting is held by the Association.

4.5.5. At the first annual meeting of the Members after termination of the 75% Control Period, a majority of the Board of Directors (two (2) directors of a three (3) director Board) shall each be elected for a term of (2) years. The balance of the directors (one (1) director of a three (3) director Board) shall be elected for a term of one (1) year. Then, at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms expire at the time of such election, to each serve for a term of two (2) years.

4.5.6. Notwithstanding anything contained in the Sections 4.5.1 through 4.5.5 above, any director may at any time, resign, be removed (subject to Section 4.6 of these Bylaws), or otherwise be disqualified to serve.

Section 4.6. Removal. The Members, by a vote of sixty-seven percent (67%) of the Association votes cast by Members present in person or by proxy at any meeting of the Members at which a quorum is present, may remove any director with or without cause, other than a director appointed by the Declarant. Declarant may at any time remove, and appoint the successor of, any director who was appointed by the Declarant. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining directors, whether or not such remaining directors constitute a quorum, and shall serve for the unexpired term of the director being replaced; provided, however, that the Declarant may appoint the successor of any director who served in such capacity as a result of being appointed by the Declarant.

Section 4.7. Compensation. No director shall receive compensation for any service rendered to the Association as a director. However any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

ARTICLE 5. MEETINGS OF THE BOARD OF DIRECTORS

Section 5.1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less often than quarterly, without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday (a legal holiday being any

weekday, other than Saturdays or Sundays, when national banks are closed), then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 5.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 5.3. Quorum; Actions of Board of Directors. A quorum at any meeting of the Board of Directors is present if directors entitled to cast fifty-one percent (51%) of the votes on the Board of Directors are present. Every act or decision done or made by a majority of a quorum of the directors present, in person or by proxy granted to another director (as more specifically set forth below), at a duly held meeting shall be regarded as the action of the Board of Directors.

Section 5.4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if each and every director in writing ("Written Vote(s)") does either of the following:

5.4.1. Votes for such action; or

5.4.2. Votes against such action or abstains from voting and waives the right to demand that a meeting be held.

Action under this Section is valid only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. For any action taken under this Section to be effective the Association must receive the Written Votes described in subsections 5.4.1 and 5.4.2 signed and not revoked. Written Votes may be received by the Association by facsimile or by email (without signature). A director may revoke such director's Written Vote by email, or by a writing signed and dated, that describes the action and states that the director's prior vote is revoked ("Revocation") if such Revocation is received by the Association before the last Written Vote necessary to effect the action is received by the Association. The Association shall keep the Written Votes and any Revocations with the minutes of the meetings of the Board of Directors.

Section 5.5. Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be deemed to be present and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section and in Section 5.4 hereof, directors may not vote or otherwise act by proxy.

ARTICLE 6. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1. Limitation on Powers and Duties. The powers and duties of the Board of Directors are subject to Article 15 of the Declaration.

Section 6.2. Powers. The Board of Directors shall have power to:

6.2.1. adopt and publish rules and regulations and policies and procedures governing the use of the Units, the Common Elements, the Community, or any portion thereof, and any facilities thereon and the personal conduct of the Members, their guests and other Persons thereon, and to establish penalties for the infraction thereof;

6.2.2. suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any Assessment. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of the Governing Documents;

6.2.3. enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description;

6.2.4. borrow money;

6.2.5. provide for direct payment of Assessments or other amounts to the Association from Owners' checking, credit or other accounts;

6.2.6. exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;

6.2.7. retain the services of a manager, an independent contractor(s), or such employees as they deem necessary and prescribe their duties;

6.2.8. cooperate with the Master Association, any other community association(s) and/or any district(s), as provided in the Declaration; and

6.2.9. exercise any and all powers granted by the Colorado Revised Non-Profit Corporation Act or by CCIOA.

Section 6.3. Duties. The Board of Directors shall have the duty to:

6.3.1. cause to be kept a complete record of all its acts and corporate affairs and, subject to Article 11 of these Bylaws (Books and Records), present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting, when such statement is requested in writing by Owners entitled to cast at least fifty percent (50%) of the votes at such meeting;

6.3.2. supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

6.3.3. as more fully provided in the Declaration, to:

6.3.3.1. determine the amount of the annual Assessment against each Unit, from time to time, in accordance with the budget proposed by the Board of

Directors, and revise the amount of the annual Assessment if such budget is vetoed by the Owners; and

6.3.3.2. foreclose the lien against any Unit for which Assessments are not paid within such time as may be determined by the Board of Directors from time to time, or bring an action at law against the Owner personally obligated to pay the same;

6.3.4. issue, or cause an appropriate officer or authorized agent to issue, upon demand by any Person, a certificate setting forth whether or not any Assessment has been paid. A reasonable charge may be made by the Board or its agent for the issuance of these certificates. If a certificate states that an Assessment has been paid, such certificate shall be conclusive evidence of such payment as to all Persons who rely thereon in good faith;

6.3.5. procure and maintain insurance, as more fully provided in the Declaration;

6.3.6. provide for maintenance, repair and/or reconstruction of the Common Elements, other property, and Improvements, as more fully provided in the Declaration;

6.3.7. keep financial records sufficiently detailed to enable the Association to prove statements of unpaid Assessments. Subject to Article 11 hereof, all financial and other records shall be made reasonably available for examination by any Owner and such Owner's authorized agents;

6.3.8. provide notice to the Declarant of any meetings, news letters and other correspondence or documents concerning the Association, as more fully provided in the Declaration;

6.3.9. cooperate and comply with certain inspections and comply with maintenance manuals, as more fully provided in Section 3.15 of the Declaration; and

6.3.10. exercise for the Association all duties vested in or delegated to the Association by other provisions of these Bylaws, the Articles of Incorporation, the Declaration, or law, including without limitation CCIOA.

Any of the aforesaid duties may be delegated by the Board of Directors to any other Person(s) or to the Association's managing agent.

ARTICLE 7. RIGHTS OF THE ASSOCIATION

The Association may exercise any and all rights or privileges given to it under the Declaration, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE 8. OFFICERS AND THEIR DUTIES

Section 8.1. Enumeration of Offices. The officers of this Association shall be a president, a secretary, a treasurer, and such other offices as the Board may from time to time by resolution create.

Section 8.2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3. Term. The officers of this Association shall be elected annually by the Board of Directors and each officer who is elected subsequent to the first annual meeting of the Association after termination of the 75% Control Period shall hold office for one (1) year or until such officer's duly-elected successor takes office, whichever occurs earlier; except that any officer may at any time resign, be removed, or otherwise be disqualified to serve.

Section 8.4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 8.5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president, vice president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 8.6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 8.7. Multiple Offices. The same individual may simultaneously hold two (2) or more offices, subject to any applicable requirements or limitations contained in the Declaration, Articles of Incorporation, these Bylaws or applicable law.

Section 8.8. Duties. The duties of the president, vice president, secretary and treasurer, which are delegable to other persons or the managing agent, are as follows:

8.8.1. President: The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association; and shall perform such other duties as required by the Board.

8.8.2. Vice President: The vice president, if any, shall act in the place and stead of the president in the event of the president's absence, inability, or refusal to act, and shall perform such other duties as required by the Board.

8.8.3. Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the names of the Members together with their addresses; shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association; shall keep a record of the names and addresses of Security Interest Holders furnished to the Association by the Members; and shall perform such other duties as required by the Board.

8.8.4. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign or authorize a designated agent to sign promissory notes and checks of the Association; shall keep proper books of account; shall prepare an annual budget to be presented to the membership, and give a copy or summary thereof to the Members (as provided in the Declaration); and shall perform such other duties as required by the Board.

The president, vice-president, secretary or treasurer of the Association may prepare, execute, certify, file and/or record amendments to the Declaration, the Articles of Incorporation or these Bylaws, on behalf of the Association, except that the Board of Directors may authorize other officers to do so.

ARTICLE 9. DELEGATION OF AUTHORITY TO A MANAGING AGENT

Section 9.1. The Board of Directors may at any times have a Person(s) or managing agent(s) conduct any matter(s) on behalf of the Association. However, once the Association includes thirty (30) Units, and if the Board of Directors or officers of the Association delegate any of their powers of collection, deposit, transfer or disbursement of the Association funds to other Persons or to a managing agent, then the following provisions shall be required:

9.1.1. The other Person or managing agent shall maintain fidelity insurance coverage or a fidelity bond in an amount of not less than Fifty Thousand and no/100 Dollars (\$50,000.00) or such higher amount as the Board of Directors may require from time to time; and

9.1.2. The other Person or managing agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other homeowners associations that are managed by such other Person or managing agent, and keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Association; and

9.1.3. An annual accounting of the Association funds and a financial statement shall be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE 10.COMMITTEES

The Board of Directors may appoint such committee(s), and give them such responsibility, as the Board deems appropriate, from time to time.

ARTICLE 11.BOOKS AND RECORDS

Section 11.1. The Association's books and records shall be subject to an audit or a review as further provided in the Declaration. Subject to the fourth sentence of this Article, the Association shall make reasonably available for inspection and copying by Owners, Security Interest Holders, and insurers or guarantors of any such Security Interest, current copies of the Declaration, the Articles of Incorporation, Bylaws, rules and regulations, design guidelines, minutes of the most recent annual Association's meeting and of any Board meetings that occurred within the most recent six (6) months prior to such request, Association operating budget for the year in which such request is made, Association's annual income and expenditures statement, and Association's annual balance sheet. The Person(s) accessing and/or copying such documents shall pay all costs associated therewith. However, the Board of Directors may, at any time(s), prior or subsequent to a request for inspection and/or copying, determine that items are confidential and should not be made available. "Reasonably Available" shall mean available during normal business hours, upon prior notice of at least five (5) business days.

Section 11.2. In the event CCIOA is amended to remove, modify, or otherwise revise the requirements under Section 11.1. of these Bylaws, Section 11.1. shall be deemed amended to require that which is required pursuant to CCIOA, as amended.

ARTICLE 12. AUTHENTICATED ELECTRONIC REPRESENTATION

Notwithstanding anything to the contrary contained in these Bylaws, to the extent permitted by applicable law, the Association may use technology or electronic representation in completing its duties and responsibilities. In this regard, any reference in these Bylaws to action, attendance, representation, notice, quorum, voting or acknowledgement, as well as any and all other matters, may be conducted by authenticated electronic activity and, to the extent permitted by applicable law, the provisions of these Bylaws shall be deemed to include provisions which permit such authenticated electronic activity.

ARTICLE 13. AMENDMENTS

Prior to termination of the 75% Control Period, these Bylaws may be amended by the Board of Directors. After termination of the 75% Control Period, these Bylaws may be amended by the Members as long as, prior to any meeting of Members at which an amendment will be voted on: the Association gives notice to each Member entitled to vote on the amendment; such notice states that one of the purposes of the meeting is to consider the amendment; such notice is accompanied by a copy or summary of the amendment; and, at such regular or special meeting of the Members at which a quorum is present in person or by proxy, the votes that are cast in favor of said amendment exceed the votes that are cast against such amendment. In addition, these Bylaws may be amended by a vote of Members by written ballot as provided in these Bylaws. Notwithstanding anything to the contrary contained in this Article, the written approval of HUD or VA shall be required for any amendments enacted during the 75% Control Period if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more Security Interests and HUD or VA requires such approval.

ARTICLE 14. CONFLICTS OF PROVISIONS

In case of any conflict between the Declaration and the Articles of Incorporation or the Bylaws, the Declaration shall control. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control.

ARTICLE 15. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Sundance Village Condominium Association, Inc., a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Association as duly adopted at a meeting of the Board of Directors thereof, held on the ____ day of _____, 200_.

In Witness Whereof, I have hereunto subscribed my name this ____ day of _____, 200__.

Secretary