

BYLAWS
OF
VILLAGE AT FOUNTAIN GREENS CONDOMINIUMS ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is VILLAGE AT FOUNTAIN GREENS CONDOMINIUMS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be c/o Fountain Greens, LLC, 1655 Walnut Street, Suite 300, Boulder, Colorado 80302, 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 II
PURPOSE

The purpose for which the Association is formed is to govern the Condominium Units, 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 Village at Fountain Greens Condominiums Association, and any amendments and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of the County of Mesa, 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 Village at Fountain Greens Condominiums Association, Inc. and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado, as amended ("Articles of Incorporation"). All present and future Condominium Owners, tenants, occupants, and any other Person who may use the Condominium Units, 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 Declaration, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Condominium Unit, or any portion thereof, shall signify that all terms and provisions of the Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

ARTICLE III
MEETINGS OF MEMBERS

1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year as the month in which the first annual meeting was held, the specific date and time thereof to be designated by the Board of Directors from time to time. At each annual meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

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.

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, as aforesaid, shall cause notice of the meeting to be hand delivered or sent prepaid by United States 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 member of the Board of Directors.

4. Quorum

(a) A quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Board of Directors are present, in person or by proxy, at the beginning of the meeting.

(b) Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

5. Proxies

If only one of the multiple Owners of a Condominium 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 of the multiple Owners are present, the vote allocated to that Condominium 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 of the multiple Owners casts the vote allocated to that Condominium Unit without protest being made promptly to the Person presiding over the meeting by any of the other Owners of the Unit.

(b) 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 Person, any Owner of such Condominium Unit may register protest to the casting of a vote by any other Owner of such Unit through a duly executed proxy; but each Condominium Unit shall only have one 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. A proxy terminates eleven (11) months after its date unless it provides otherwise.

6. Security Interest Holders of First Security Interests. Each Security Interest Holder of a First Security Interest shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV
BOARD OF DIRECTORS SELECTION - TERM OF OFFICE

1. Number. The affairs of this Association shall be managed by a Board of three directors. Directors shall be Members which, in the case of Declarant, may include any member of Declarant and any officer, director, employee or authorized agent of Declarant or any member of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member.

2. Term of Office.

(a) No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Condominium Units that May Be Created to Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Condominium Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Condominium Units that May Be Created to Owners other than a Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Condominium Owners other than the Declarant.

(b) Except as otherwise provided in these Bylaws, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and remove all officers and directors of the Board of Directors appointed by it. Not later than termination of the Period of Declarant Control, the Owners shall elect a Board of Directors, at least a majority of whom must be Owners other than the Declarant or designated representatives of Owners other than the Declarant. The members of the Board of Directors so elected shall take office upon election.

(c) Any member of the Board of Directors who is elected by the Members prior to termination of the Period of Declarant Control shall serve for one (1) year or until such director's duly-elected successor takes office on the Board of Directors, whichever occurs later. At the first annual meeting of the Association held subsequent to termination of the Period of Declarant Control, if the Board of Directors is to consist of three (3) directors, the Members shall elect one director for a term of one year and two directors for terms of two years. At each annual meeting thereafter, the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two years.

3. Removal. The Owners, by a vote of sixty-seven percent (67%) of the Association votes cast by Persons present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member of the Board of Directors who was appointed by the Declarant. Declarant may at any

time remove, and appoint the successor of, any member of the Board of Directors 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 members of the Board of Directors, whether or not such remaining members 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.

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

5. 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 by obtaining the written approval of all of the directors or as otherwise permitted by law. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Board of Directors may be made by the Board of Directors or 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.

2. Election. Election to the Board of Directors shall be by secret written ballot. At such election 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. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF BOARD OF DIRECTORS

1. Regular Meetings. Regular meetings of the Board of Directors shall be held not less often than annually, 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, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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 directors, after not less than three (3) days' notice to each director, which notice may be given in person, by telephone or other form of wire or wireless communication, by mail or by private carrier.

3. Quorum: Actions of Board of Directors. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast fifty percent (50%) of the votes on the Board of Directors are present at the beginning of the meeting. Every act or decision

done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

4. Meetings: Open Attendance; Executive Sessions. All regular and special meetings of the Board of Directors, or any committee thereof, shall be open to attendance by all Members or their representatives. Executive sessions may be held by the Board of Directors, subject to the express provisions set forth in C.R.S. § 38-33.3-308 of the Act. No rule or regulation of the Board of Directors, or any committee thereof, shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board of Directors goes back into regular session following an executive session. The minutes of all meetings at which an executive session was held shall indicate that an executive session was held, and the general subject matter of the executive session.

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. Powers. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Condominium 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;

(b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of these Bylaws or published Association rules and regulations;

(c) enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description; provided, however, that the foregoing rights with respect to contracts and leases shall be subject to the express limitations, if any, contained in the Act;

(d) provide for direct payment of assessments to the Association from Owners' checking, credit or other accounts;

(e) 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;

(f) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) regular meetings of the Board of Directors during any one year period; and

(g) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and 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 one-fourth (1/4) of the votes at such meeting;

(b) supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) determine the amount of the annual assessment against each Condominium Unit, from time to time, in accordance with the Association budget, and revise the amount of the annual assessment if such budget is rejected by the Owners; and

(2) foreclose the lien against any Condominium 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;

(d) issue, or cause an appropriate officer or authorized agent to issue, upon demand by any Person as provided in the Declaration, a certificate setting forth whether or not an assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

(e) procure and maintain insurance, as more fully provided in the Declaration;

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

(g) keep financial records sufficiently detailed to enable the Association to comply with the requirement that it prove statements of unpaid assessments.

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.

3. Limitation on Powers. The Board of Directors may not act on behalf of the Association to amend the Declaration, to terminate this Community, or to elect members of the Board of Directors or determine the qualifications, powers and duties, or terms of office of members of the Board of Directors, but the Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE VIII
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 IX
OFFICERS AND THEIR DUTIES

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

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.

3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

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.

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, 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.

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.

7. Multiple Offices. The offices of president and secretary may not be held by the same person. However, any person may simultaneously hold two or more of any of the other offices subject to any applicable requirements or limitations contained in the Declaration, Articles of Incorporation, these Bylaws or law.

8. Duties. The duties of the officers, which are delegable to other persons or the managing agent, are as follows:

(a) 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; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association.

(b) Vice-President: The vice-president 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 exercise and discharge such other duties as may be required of the vice-president by the Board of Directors.

(c) 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 keep the corporate seal of the Association and affix it on all papers requiring said seal; 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; and shall perform such other duties as required by the Board.

(d) 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 cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Board of Directors or as required by the Declaration, an annual review or audited financial statement may be required; and shall prepare an annual budget to be presented to the membership, and deliver a copy to the Members.

(e) Any officer of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE X DELEGATION OF AUTHORITY TO A MANAGING AGENT

At such time as the Association consists of thirty (30) or more Units, or if the Board of Directors determines, in its discretion, that the following provisions shall otherwise apply, if the Board of Directors or officers of the Association delegate any of their powers of collection, deposit, transfer or disbursement of Association funds to other Persons or to a managing agent, then the following provisions shall be required:

1. Fidelity Insurance or Fidelity Bonds. That the other Person or managing agent maintain fidelity insurance coverage or a fidelity bond in such amount as the Board of Directors may require from time to time.

2. Separate Funds and Accounts. That the other Person or managing agent 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.

3. Annual Accounting. That an annual accounting of the Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE XI COMMITTEES

The Association shall appoint an Architectural Review Committee, subject to the provisions of the Declaration, and may appoint a nominating committee. In addition, the Board of Directors may appoint other committees as it deems appropriate from time to time in carrying out its purposes. Initially, the Board of Directors shall constitute the Architectural Review Committee.

ARTICLE XII BOOKS AND RECORDS

The Association shall make available to Owners current copies of the Declaration, Articles of Incorporation, these Bylaws, the rules and regulations, books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTICLE XIII CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: VILLAGE AT FOUNTAIN GREENS CONDOMINIUMS ASSOCIATION, INC.

ARTICLE XIV AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Members, by a majority of the votes of Members present in person or by proxy; provided, however, that the written approval of HUD or VA shall be required for any amendments enacted during the Period of Declarant Control if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more First Security Interests.

ARTICLE XV
CONFLICTS OF PROVISIONS

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

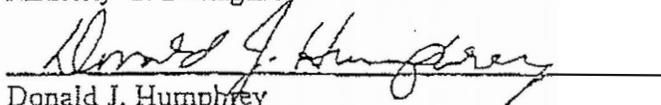
ARTICLE XVI
FISCAL YEAR

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.

IN WITNESS WHEREOF, we, being all of the directors of VILLAGE AT FOUNTAIN GREENS CONDOMINIUMS ASSOCIATION, INC. have hereunto set our hands this 12th day of September, 2000.

DIRECTORS:


Anthony G. Bottagaro


Donald J. Humphrey

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of VILLAGE AT FOUNTAIN GREENS CONDOMINIUMS ASSOCIATION, INC., a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted by the Board of Directors thereof, on the 12th day of September, 2000.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 12th day of September, 2000.

(SEAL)


Donald J. Humphrey, Secretary