

BY-LAWS
OF
OWL CREEK RANCH HOMEOWNERS' ASSOCIATION

ARTICLE I

Purposes: Principal Office; Seal

1. This non-profit corporation, (herein "Association") is formed to govern the property situate in the County of Pitkin, State of Colorado, known as the Owl Creek Ranch as defined and described in the Plat therefor recorded in Plat Book 19 at Page 45 of the records of the Clerk and Recorder of Pitkin County, Colorado.

2. The principal office and place of business of the Association shall be at Law Offices of Gideon I. Kaufman, P.C., 315 E. Hyman Avenue, Suite 305, Aspen, CO 81611. Other offices and places of business may be established from time to time by resolution of the Board of Directors.

3. The seal of the Association shall have inscribed thereon the name of the Association, the year of its incorporation and the words "Colorado" and "Seal," and shall be in the form as may be approved by the Board of Directors.

ARTICLE II

Members

1. Membership and voting rights in the Association shall be defined, described and governed by the Protective Covenants for Owl Creek Ranch recorded in Book 531 at Page 387 of the records of the Clerk and Recorder of Pitkin County, Colorado, (hereinafter "the Protective Covenants") the Articles of Incorporation of the Association (hereinafter "the Articles of Incorporation") and by these By-Laws. Membership in the Association shall terminate without any formal Association action whenever ownership of a lot in the Owl Creek Ranch ceases. The termination of membership shall not relieve or release any former owner from any liability or obligation owing to the Association or impair any right or remedies which the Association may have against a former owner arising out of or in any way connected with his ownership of a lot and membership in the Association.

2. Only members of record on the books of the Association shall be entitled to be treated by the Association as members in fact, and the Association shall not be bound to recognize any equitable or other claim to, or interest in, any membership on the part of any other

person, firm or corporation, whether or not it shall have express or other notice thereof.

3. A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

ARTICLE III

Directors

1. The business and affairs of the Association shall be managed by the Board of Directors in accordance with the Protective Covenants, the Articles of Incorporation and these Bylaws.

2. The Board of Directors shall have the power to:

a. adopt and publish rules and regulations governing the use of any common areas and facilities, and the personal conduct of the members and their guests thereon, and establish fines or penalties for the infraction thereof.

b. Suspend the voting rights and right to use of any common facilities of a member during any period during which such member shall be in default 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 an infraction of published rules and regulations.

c. Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

3. 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 to 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 twenty (20%) of the members who are entitled to vote.

b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed.

c. As may be more fully provided in the Protective Covenants and the Articles, to:

(1) Fix the amount of assessments;
(2) Send written notice of assessments to every owner; and,
(3) Foreclose a lien against any property for which assessments are not paid within sixty (60) days after due date or to bring an action at law against the owner personally obligated to pay the same.

d. Issue, or to cause an appropriate officer to issue, on 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 of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

e. Procure and maintain adequate liability and hazard insurance on any property owed the Association.

f. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

g. Cause common areas and facilities to be maintained.

4. The Board of Directors shall have such other powers and duties necessary for the administration of the affairs of the Association and may do all acts and things as are not by law or by the Protective Covenants, the Articles or these By-Laws directed to be exercised and done by the members. The powers of the Board of Directors shall include, but not be limited to, all of the rights and duties of the Board of Directors as set forth elsewhere in these By-Laws, the Articles of Incorporation and in the Protective Covenants. The Board of Directors may delegate duties to the extent permitted by law when the delegation is in the best interests of the Association.

5. The annual meeting of the Board of Directors shall be held at the same place as, and immediately after, the annual meeting of the members, and no notice shall be required in connection therewith. The annual meeting of the Board of Directors shall be for the purpose of electing officers and the transaction of such other business as may come before the meeting.

6. Special meetings of the Board of Directors may be called and held as provided in Article IV of the Articles of Incorporation. In addition, special meetings of the Board of Directors may be held at any time that all directors are present in person; the presence of any director at a meeting shall constitute waiver of notice of the meeting except as otherwise provided by law. Unless specifically required by law, the Articles of Incorporation or these By-Laws, neither

the business to be transacted at nor the purpose of, any meeting of the Board of Directors need to specified in the notice of waiver or notice of the meeting.

ARTICLE IV

Officers

1. The officers of the Association shall be a President, a Secretary and a Treasurer, who shall be elected by and from the Board of Directors at its first meeting after the annual meeting of members. The President shall serve as Chairman of the Board of Directors. The Board of Directors may elect other officers as may be determined by the Board.

2. The officers of the Association shall respectively exercise and perform the respective powers, duties and functions as are stated in the Articles of Incorporation and as may be assigned to them by the Board of Directors.

3. No officers of the Association shall receive salaries or other compensation for their serving as officers. This shall not preclude a person who is an officer from being compensated for other valuable services rendered to the Association if such is approved and ordered by the Board of Directors. Officers and/or directors may be reimbursed for reasonable out-of-pocket expenses incurred on behalf of the Association.

4. In the event of absence or inability of any officer to act, the Board of Directors may delegate the powers or duties of the officer to any other officer, director or person whom it may select.

5. Any officer or agent may be removed by the Board of Directors, at a meeting called for that purpose, whenever in its judgment the best interest of the Association will be served thereby. The removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not, of itself, create contract rights.

ARTICLE V

Finance

1. The Board of Directors, in its uncontrolled discretion, may set aside from time to time those sums it deems expedient as a reserve fund to meet contingencies for maintaining any property of the Association and for any other purpose.

2. The Board of Directors may fix, levy and collect assessments in the manner and for the purposes specified in the Protective Covenants and the Articles of Incorporation and the members shall pay assessments as therein provided.

3. The monies of the Association shall be deposited in the name of the Association in any bank or banks or trust company or trust companies the Board of Directors shall designate and may be drawn out only on checks signed in the name of the Association by such person or persons as the Board of Directors by appropriate resolution may direct. Notes and commercial paper, when authorized by the Board, shall be signed in the name of the Association by such officer or officers or agent or agents as shall thereunto be authorized from time to time.

4. The fiscal year of the Association shall be determined by resolution of the Board of Directors.

ARTICLE VI

Waiver of Notice

Any member, officer or director may waive, in writing, any notice required to be given by law or under these By-Laws, whether before or after the time stated herein.

ARTICLE VII

Action Without a Meeting

Nothing in these By-Laws contained shall be construed to prevent any action required to be taken or which might be taken at a meeting of the directors or members of this Association, to be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or members entitled to vote with respect to the subject matter thereof.

ARTICLE VIII

Amendments

These By-Laws may be altered, amended or repealed by the majority vote of the Board of Directors or at the annual meeting of the members or at any special meeting of the members called for that purpose only by eighty (80%) percent of the total number of votes of the members whether present in person or represented by proxy. Provided however that for so long as Mitchell Development Corporation of the Southwest has retained any of the rights retained, reserved or granted to it in the Protective Covenants, no amendment, alteration or repeal of the Bylaws may be accomplished

without the written consent of Mitchell Development Corporation of the Southwest.