

BYLAWS

OF

CHERRYWOOD II HOMEOWNER'S ASSOCIATION OF LOUISVILLE, COLORADO

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BYLAWS

OF

CHERRYWOOD II HOMEOWNER'S ASSOCIATION OF LOUISVILLE, COLORADO

ARTICLE I

GENERAL

Section 1 - Purpose of Bylaws. These Bylaws are adopted for the regulation and management of the affairs of Cherrywood II Homeowner's Association of Louisville, Colorado, a Colorado nonprofit corporation, organized to be the association to which reference is made in the Declaration for Cherrywood II to perform the functions as provided in the Declaration and to further the interests of owners of privately owned lots within the area.

Section 2 - Terms Defined in Declaration. Capitalized terms in these Bylaws shall have the same meaning as any similarly capitalized terms in the Declaration.

Section 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 Declaration and the Articles of Incorporation of Cherrywood II Homeowner's Association of Louisville, Colorado, filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

ARTICLE II

Section 1 - Principal Office. The principal office of the corporation shall be 4401 McMurray Avenue, Fort Collins, Colorado 80524. The Board of Directors, in its discretion, may change from time to time the location of the principal office.

Section 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 Incorporation by filing a statement as specified by law in the office of the Secretary of State of Colorado.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1 - Membership in Association.

The members shall be all owners of lots, and there shall be one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot.

The voting rights of members shall be as follows:

Members shall vote as provided in the Declaration to approve special improvement assessments; to approve mergers, consolidations or dissolution of the Association; to approve conveyance, or mortgaging of the Common Area; to approve amendments to the Declaration after the Declarant's rights to amend have terminated; and to elect all members of the Board of Directors after the period of Declarant control with the manner of election to be described in the Bylaws of the Association.

Each member shall be entitled to one (1) vote for each lot owned, provided that (i) the Association may suspend any member's voting rights in the Association during any period or periods that such member fails to comply with the Rules and Regulations of the Association adopted by the Board of Directors or with any other obligation of the member under the Bylaws or the Declaration, (ii) no member shall have the right to vote until it shall have delivered to the Secretary of the Association (a) a copy of the recorded deed or other recorded instrument establishing record title to a lot, and (b) if the member shall be more than one person or a corporation or a partnership, a written notice subscribed to by all of such persons or by such corporation, as the case may be, designating one of such persons or an officer of such corporation as the person entitled to cast the votes with respect to such lot; but all of the other rights and all other obligations of the owner of such lot hereunder shall be unaffected including, without limitation, the right to use the Common Area and the obligation to pay assessments.

Members shall have no preemptive rights to purchase other lots or the membership appurtenant thereto.

If less than twenty-five percent (25%) of the member's votes are cast in an election for an elective office, the Board of Directors may declare the results of such election invalid and elect a member to fill such office.

Section 2 - Election of Directors.

(a) Appointed Directors. During the period of time identified in the Declaration that the Declarant shall be entitled to appoint directors, the Declarant shall appoint three (3) directors. Appointed directors need not be members of the Association.

(b) Elected Directors. When directors are elected subsequent to Declarant control, the members shall elect the Board of Directors in accordance with an election schedule which shall be established by the Board with the qualification that one-third (1/3) of the total number of the elected board members' terms shall expire annually. Elected members of the Board shall be owners within Cherrywood II.

(c) Number of Directors. The Board of Directors shall consist of a total of three (3) individuals.

Section 3 - Annual Meetings and Special Meetings.

(a) Annual meetings of the members shall be held in January of each year, beginning in January of 1993, on such day in January and at such time of day as is fixed by the Board of Directors of the Association and specified in the Notice of Meeting. The annual meetings shall be held to elect Directors of the Association and to transact such other business as may properly come before the meeting.

(b) After the period of Declarant control, it shall be the duty of the President and, should the President fail to do so of the Vice President, to call a special meeting of the owners as provided in this Section, or upon a petition signed by a majority of the members of the Association having been presented to the Secretary. The date of any special meeting being called upon such a petition shall be not less than fourteen (14) days nor more than thirty (30) days from receipt of such petition by the Secretary.

Section 4 - Quorum. A quorum shall consist of at least one-half (1/2) of all members entitled to vote, whether present or in person or by written proxy, except as otherwise provided in these Bylaws or in the Declaration. The question as to the presence of a quorum may only be raised immediately after the meeting has been called to order. If the presence of a quorum has not been questioned or if by count it appears that a quorum is present, then the regularity of the proceedings or the validity of the transactions of the meeting shall in no way be affected by lack of a quorum or by change in the number present that may take place during the meeting. If no quorum be present, the presiding officer may adjourn the meeting to some other time, not later than seven (7) days from the date of such meeting, and such adjourned meeting shall have the same effect as if held on the day appointed.

When a quorum is present at any meeting, the vote of a majority of the members present in person or represented by written proxy shall decide all questions and such vote shall be binding upon all owners, unless the question is one upon which by express provision of the Declaration, Articles of Incorporation, or these Bylaws a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5 - Waiver and Consent. Whenever the vote of members at a meeting is required or permitted by any provision of the Declaration, Articles of Incorporation, or of these Bylaws to be taken in connection with any action, the meeting and vote of members may be dispensed with if all members who would have been entitled to vote upon the action if such meeting were held shall consent, in writing, to such action being taken. Any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a consent, in writing, setting forth the actions to be taken shall be signed by fifty-one percent (51%) of the members entitled to vote with respect to the subject matter thereof.

Section 6 - Place of Meetings. Meetings shall be held at a suitable place within the State of Colorado convenient to the owners as may be determined by the Board of Directors.

Section 7 - Notice of Meeting. It shall be the duty of the Secretary, at least fourteen (14) but not more than thirty (30) days prior to each annual or special meeting, to mail a notice stating the purpose thereof as well as the time and place where it is to be held to each member.

Section 8 - Order of Business. The order of business at all meetings shall be as follows to the extent required:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of Board of Directors;
- (f) Election of directors (in the event there is an election);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Section 9 - Record Date. The record date for determination of members entitled to notice of or to vote at a meeting of the members shall be the date on which the notice of the meeting is mailed or otherwise delivered.

Section 10 - Voting List. The officer or agent having charge of the records of the Association shall make, at least ten (10) days before each meeting of members, a complete list of members entitled to vote at such meeting or any adjournment thereof arranged in alphabetical order, together with the address of such member, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

Section 11 - Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by a duly authorized attorney-in-fact. Such proxy may be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after six (6) months from the date of execution unless otherwise provided in the proxy.

ARTICLE IV

BOARD OF DIRECTORS

Section 1 - Number, Qualifications and Term. The number of directors which shall constitute the whole Board shall be as set forth in Article III, Section 2 of these Bylaws.

All elected directors shall be owners or an officer of an owner, if the owner shall be a corporation, and any such director who ceases to be an owner shall automatically be deemed to have resigned. At the expiration of the initial term of office of each such respective director, a successor shall be elected to serve a term of one (1) year. All directors shall hold office until their successors have been elected and qualify.

Section 2 - Vacancy and Replacement. If the office of any elected director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, a majority of the remaining directors, though less than a quorum, at a special meeting of the directors duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term with respect to which such vacancy occurred.

Section 3 - Removal. Elected directors may be removed with or without cause by an affirmative vote of a majority of the members at any meeting of members when the notice therefor indicates the purpose. No elected director shall continue to serve on the Board if, during that term of office, the director shall cease to be an owner.

Section 4 - Initial Board of Directors. The initial appointed Board of Directors shall consist of three (3) persons designated as such in the Articles of Incorporation who shall hold office and exercise all powers of the Board of Directors until the expiration of the period of Declarant control as provided for in the Declaration. Any or all of said directors may be replaced by the Declarant.

Section 5 - Powers. The Board shall have general charge, management, and control of the affairs, funds and property of the Association and shall authorize and control all expenditures pursuant and subject to the Articles of Incorporation, the Declaration and these Bylaws. It shall have the powers granted to the Association in the Articles of Incorporation or Declaration and the duty to carry out the purposes of the Association according to law and as set forth in the Articles of Incorporation, these Bylaws and the Declaration.

Section 6 - Compensation. Directors and officers shall receive no compensation for their services as such.

Section 7 - Meetings.

(a) The annual meeting of each Board of Directors newly elected by the owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable at the same place as the owners meeting, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) There shall be held at least two (2) regularly scheduled meetings of the Board each year without special notice to the directors.

(c) Special meetings of the Board may be called by the President on seven (7) days' notice (except in emergency when less notice may be given) to each director, either personally or by mail or telegram, except in the event of an emergency when less notice may be given. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) directors. All such notices of special meetings shall state the purpose thereof.

(d) At all meetings of the Board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may otherwise specifically be provided by Statute, Articles of Incorporation, Declaration or by these Bylaws. If a quorum

shall not be present at any meeting of directors, the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

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

Section 8 - Limited Liability; Indemnification. Neither Declarant, the Association or the Board of Directors shall be liable to the Association or any owner for any action or for any failure to act with respect to any matter, so long as such person or entity was not guilty of fraud or misconduct in taking such action or failing to act.

The Board of Directors, the Declarant or the Association shall not be liable, individually or as a group, to owners, members or other interested persons for errors in judgment, negligence or otherwise, unless guilty of willful misconduct, bad faith or malicious intent. The Association shall indemnify, defend and hold the Declarant, any member of the Board and any employee or agent of Declarant or the Association harmless against any liability or claims made by any owner, member or other interested person, unless and until it is determined that any of them acted in bad faith, with malicious motive or engaged in willful misconduct. Should any of the latter be determined, then the Association's responsibility as to any person so acting shall terminate, and if any expenses or other payments have been made pursuant hereto for the benefit of any person who so acted, then the Association shall have a cause of action against that person for reimbursement for all such payments.

The indemnification authorized by this Article IV, Section 8 shall include payment of (i) reasonable attorney's fees or other expenses incurred in settling any action or proceeding, or threatened action or proceeding, or incurred in any finally adjudicated legal action or proceeding, and (ii) expenses incurred in the removal of any liens affecting any property of the indemnitee. Indemnification shall be made from assets of the Association, and no owner shall be personally liable for any indemnitee.

ARTICLE V

OFFICERS

Section 1 - Elective Officers. The Board shall elect at its annual meeting each year a President, a Secretary and a Treasurer. All officers (other than those selected by the Declarant) must be owners.

Section 2 - Term. Each officer shall hold office until his or her successor is elected and shall qualify, but any officer may be removed and/or replaced, with or without cause, at any time by the affirmative vote of a majority of the whole Board of Directors.

Section 3 - The President. The President shall be the Chief Executive Officer of the Association. He or she shall preside at all meetings of the Association and the Board of Directors.

Section 4 - The Secretary. The Secretary shall keep the minutes of all meetings of the Association and of the Board of Directors in a businesslike manner and shall issue all general notices. He or she shall make such reports and perform such other duties as are incident to the office or are properly required by the Board. The minutes of all such meetings shall be available for inspection by owners at all reasonable times.

Section 5 - The Treasurer. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological account of receipts and disbursements in books belonging to the Association, including the vouchers for such disbursements and shall deposit all monies and other valuable effects in the name and the credit of the Association in such depositories as may be designated by the Board of Directors.

He or she shall disburse the funds of the Association as may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and directors, at the regular meetings of the Board or whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Association.

He or she shall keep detailed financial records and books of account of the Association, including a separate account for each lot which, among other things, shall contain the amount of each assessment against such lot, the date when due, the amounts paid thereon and the balance remaining unpaid.

He or she shall perform all other duties incident to the office or which may be properly required by the Board.

Section 6 - Agreements. All agreements and other instruments authorized by the Board shall be executed by the President and/or such other person or persons as may be designated by the Board.

Section 7 - Vacancy and Replacement. If the position of any officer becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining officers, though less than a quorum, at a special meeting of the officers duly called for this purpose, shall choose a successor or successors who shall hold office for the unexpired term with respect to which such vacancy occurred.

Section 8 - Removal. Officers may be removed with cause by an affirmative vote of a majority of the members at any meeting of members when the notice therefor indicates the purpose. No officer shall continue to serve on the Board if, during the term of office, the officer shall cease to be an owner.

ARTICLE VI

NOTICES

Whenever, under the provisions of the Declaration or of these Bylaws, notice is required or permitted to be given to the Board, any director, member, Declarant, or owner, it shall not be construed to mean personal notice. Such notice shall be in writing and either delivered personally or mailed. Any notices given by mail shall be deemed effectively and sufficiently given when deposited in a United States Post Office or Letter Box in a postage paid sealed envelope, addressed to the Board, such Director, or owner at such address as appears on the books of the Association.

Whenever any notice is required to be given under the provisions of the Declaration, or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII

RULES AND REGULATIONS

Reasonable uniform rules and regulations governing the use of the Common Area and the conduct of persons entitled to use such property may be adopted and amended from time to time by the Board. All owners shall obey the rules and regulations as promulgated by the Board.

ARTICLE VIII

AMENDMENT

Amendments to these Bylaws may be adopted at a regular or special meeting of the members of the Association upon receiving the vote of 75% of the membership of the Association who are present at the meeting or who have provided proxies to be voted upon the proposed amendment; provided, that no amendments shall be adopted which would render these Bylaws inconsistent with the Declaration.

ARTICLE IX

MISCELLANEOUS

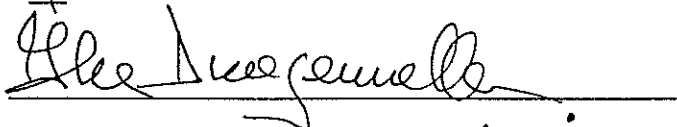
Section 1 - Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these Bylaws shall, nevertheless, be and remain in full force and effect.

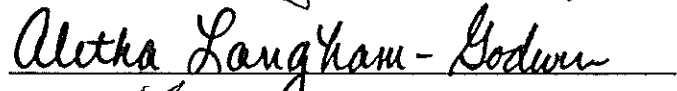
Section 2 - Construction. Wherever the masculine singular form of the pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine, or neuter, singular or plural, wherever the context so requires.

Section 3 - Rules of Procedure. The Rules of Parliamentary Procedure as set forth in Roberts' "Parliamentary Law" shall prevail at all meetings of members or directors of the Association.

Section 4 - Interpretations. In the event that any question arises with respect to the construction of any of the provisions of the Bylaws or the Rules and Regulations of the Association, the decision of the Board with respect thereto shall be final and binding upon the Association and the owners.

THESE BYLAWS WERE ADOPTED BY THE BOARD OF DIRECTORS OF CHERRYWOOD II HOMEOWNER'S ASSOCIATION OF LOUISVILLE, COLORADO, ON THE 5th DAY OF November, 1994.









DEPARTMENT OF STATE
Corporations Section
1560 Broadway, Suite 200
Denver, Colorado 80202
(303) 894-2251

Your Articles of Incorporation, Application for Certificate of Authority or Certificate of Organization has been accepted and filed. The enclosed Certificate is issued to you as evidence and authority to transact business in this state.

As an authorized corporation or limited liability company, you are required to continuously maintain both a Registered Agent and a Registered Office in this state. Any change of Agent or Office requires the filing of a statement to that effect within **thirty days** of such change.

In addition, every corporation and limited liability company is required to file a report each biennium (every other year). Previously, reports were mailed in January and were due by May 1. Because of changes in legislation, reports will be mailed throughout the year to corporations and limited liability companies in the month in which they were filed. A corporation incorporated in January would receive its report in January. The due date for reports is the end of the second month after the month in which the report was mailed. For example, reports which were mailed in January would be due by the end of March. Corporations incorporated in odd numbered years will be required to file in odd numbered years and corporations incorporated in even numbered years will be required to file in even numbered years.

The report will be mailed to your registered agent at the registered office as shown on our records. All reports **must** be typewritten on the **OCR Form** mailed to you by the Secretary of State.

If you are in need of any further service, please contact us. Our office hours are from 8:30 to 5 p.m., Monday through Friday. Telephone Number: 894-2251.

Our best wishes for success in your new venture.