

BLUE VALLEY ACRES SUBDIVISION

RESTRICTIVE COVENANTS

Restrictive Covenants for BLUE VALLEY ACRES SUBDIVISION, Grand County, State of Colorado, dated December 2, 1960, recorded December 5, 1960 in Book 135 at Page 162, Reception No. 93106, records of Grand County, Colorado:

We, the undersigned owners of real property in Blue Valley Acres, Grand County, State of Colorado, for the purpose of maintaining fair and adequate property values in said Subdivision, and of continuing said Subdivision as a desirable residential and recreational area, in consideration of our mutual interest as owners of real estate in said Subdivision, do hereby covenant and agree with one another as follows:

1. No noxious or offensive trade or activity shall be carried on upon any tract or tracts, nor shall anything be done thereon which shall be or become a nuisance to the neighborhood.
2. No basement, tent, shack, barn or other outbuildings erected or placed on any tract shall be used as a permanent residence, but may be temporarily used for a period not to exceed one (1) year from commencement of construction, nor shall any structure of a temporary character be used as a permanent residence.
3. No waste, trash or debris shall be allowed to accumulate on any tract or tracts.
4. No tract shall be subdivided.
5. Use of or construction upon any tract shall be limited to one-family dwellings.
6. Construction of all improvements must be set back a minimum of fifty feet (50') from any property line. Any variance must be approved by not less than fifty percent (50%) of all property owners within the Subdivision.
7. Any deed, lease, conveyance or contract made in violation of these Restrictive Covenants shall be void and may be set aside on petition of one or more of the parties hereto, and all successors in interest, heirs, executors, administrators or assigns shall be deemed parties to the same effect as the original signers; and when such conveyance or other instruments are set aside by Decree of Court, all costs and all expenses of such proceedings shall be fixed against the Grantor or Grantors, and shall be declared by the Court to constitute a lien against the real estate wrongfully deeded, sold, leased or conveyed, until paid, and such lien may be enforced in such manner as the Court may order.
8. If any party claiming by or through the undersigned or their heirs or assigns shall violate or attempt to violate any of the

covenants herein, it shall be lawful for any person or persons owning real estate in said Subdivision to prosecute any proceedings at law or in equity against any person or persons violating or attempting to violate any such covenants, and either restrain him or them from so doing to recover damages for such violation.

9. Said covenants, conditions, restrictions and reservations shall be perpetual and shall apply to and be forever binding upon the undersigned, their heirs, executors, administrators, successors and assigns, and are imposed upon said realty as an obligation or charge against the same as a general plan for the benefit of said Subdivision.
10. It is expressly agreed that in the event any covenant or condition or restriction herein-above contained, or any portion thereof, is invalid or void, such invalidity or voidness shall in no way affect any other covenant, condition or restriction.
11. It is further covenanted that the undersigned Blue River Corporation shall cause to be formed a Land Trust, in which the Blue River Corporation shall be a member, and membership in which shall be limited to the purchasers or owners of tracts in said Subdivision. Said Land Trust shall specify, among the purposes and duties of the Trustee, the enforcement of all said restrictions, covenants and conditions, and the maintenance, preservation and improvement of said properties, and the keeping and maintaining of said tracts and every part thereof in a clean and sanitary condition, so far as it may lawfully act, and the transaction of such other business as may be permitted by law. And the Blue River Corporation and subsequent purchasers agree to pay to said Land Trust, when formed, dues or assessments for such purposes which may be fixed by its terms and conditions or by the lawful act of an executive board representing said Land Trust, not exceeding, however, in any one (1) year, the sum of Ten and no/100 (\$10.00) Dollars, which said sum may be adjusted from time to time by a three-fourths (3/4) majority of all beneficiaries under said Land Trust. Said Land Trust shall provide that each purchaser or owner of a tract in said Subdivision shall be entitled to one (1) vote at all elections and on all other matters that may come before a meeting of the members, subject to the proviso that if any member of said Land Trust shall be a purchaser or owner of more than one (1) lot in said tract, he shall be entitled to as many votes as the number of lots purchased or owned by him. All subsequent purchasers shall be entitled to and obligated to accept, membership in said Land Trust as a beneficiary thereunder, and shall have the benefit and bear the burdens of such membership with respect to such rules as may be adopted thereunder.
12. This Contract constitutes mutual covenants running with the land and shall be binding on all persons and properties claiming by or through the undersigned and shall continue thereafter until a three-fourths (3/4) majority of the then property owners shall modify, amend or terminate the same.

ADDITION TO RESTRICTIVE COVENANTS FOR
BLUE VALLEY ACRES SUBDIVISION, # 1

This addition to the Restrictive Covenants of Blue Valley Acres Subdivision, # 1, dated the 2nd day of December, 1960 shall become effective this 11th day of December, 1993.

WITNESSETH:

Whereas, approval for the addition of two Restrictive Covenants was voted upon at a Special Meeting of the membership held on December 11, 1993, at Lakewood, Colorado, pursuant to notice specified in the by-laws, and;

Whereas, the required number of property owners have given their approval, the following two paragraphs shall be added to the Blue Valley Acres Subdivision Restrictive Covenants:

13. No owner of real estate within the Blue Valley Acres Subdivision, Grand County, Colorado, or member of Blue Valley Acres Land Share, Inc., a Colorado non-profit corporation, shall be permitted to assign, lease, pledge, or in any other manner convey or transfer any rights of access, possession, and/or use, whether permanently or temporarily, with regard to the lands abutting the Blue River and contiguous to the property identified as the Blue Valley Acres Subdivision, Grand County, Colorado, and to which the aforesaid Blue Valley Acres Land Share, Inc., holds title in trust, to any party or parties not owners of property located within the Blue Valley Acres Subdivision, and members of the Blue Valley Acres Land Share, Inc. Any such assignment, transfer, or conveyance shall be null and void, and shall subject any party claiming any rights whatsoever allegedly arising from the said attempted assignment, transfer, or conveyance, to appropriate civil and criminal penalties for trespass. Additionally, any party attempting to assign, transfer or convey any such rights as previously set forth and as contemplated herein shall be subject to prosecution of appropriate litigation, at law or in equity, by any interested party owning real estate within the Blue Valley Acres Subdivision and/or a member of Blue Valley Acres Land Share, Inc., designed to enjoin any such attempted assignment, transfer, or conveyance and recover appropriate damages therefor.

14. It is prohibited for any owner of real estate located within the Blue Valley Acres Subdivision, Grand County, Colorado, to engage in any business and/or commercial enterprise whatsoever upon said property which is of such a nature and/or the intent of which is to lease, assign, convey, or in any other manner transfer,

whether permanently or temporarily, or whether short term or long term, to parties who are not owners of real estate located within said Blue Valley Acres Subdivision any rights of access to, possession of, and/or the use of in any manner whatsoever, including fishing and hunting, the real estate abutting the Blue River and contiguous to said Blue Valley Acres Subdivision to which Blue Valley Acres Land Share, Inc., a Colorado non-profit corporation, holds title in trust.

Dated this 22nd day of December, 1993.

Blue Valley Acres Land Share, Inc.

Linda Brannan
Linda Brannan, President

State of Colorado)
County of Jefferson) ss.

The foregoing instrument was acknowledged before me this 22nd day of December, 1993, by Linda Brannan as president of Blue Valley Acres Land Share, Inc.

Witness my hand and official seal.

My commission expires: 10-21-97 Danell Powers
Notary Public

ATTEST:

Nita Casto
Nita Casto, Secretary

State of Colorado)
County of Jefferson) ss.

The foregoing instrument was acknowledged before me this 15th day of December, 1993, by NITA CASTO as secretary of Blue Valley Acres Land Share, Inc.

Witness my hand and official seal.

My commission expires: 4-21-95 Linda Starn
Notary Public

BLUE VALLEY ACRES LAND SHARE, INC.

OPERATING RULES - GENERAL

MEMBERS: Members are those individuals who qualify for membership by ownership of Blue Valley Acres Land Share, Inc., property. Proof of ownership may be required by the Board of Directors before granting membership.

DUES: The dues cover the period of the fiscal year, April 1 through March 31, and are mandatory as stated in the Restrictive Covenants. Dues are \$20.00 per year for each lot owned.

Notice of dues will be sent to all known owners with the notice of annual meeting and are due within 30 days after receipt of notice each year. Dues must be paid before June 1 in order to maintain membership in good standing. If dues are not paid before June 1, the membership will not be in good standing, and membership rights will be forfeited until such time as payment is made.

Membership rights, privileges and use of the common property are transferable with sale of the property, provided dues are current. New members will be given 60 days in which to pay their initial dues and any outstanding charges owed by the previous owner.

MULTIPLE OWNERSHIP: Each lot shall constitute one membership, regardless of the number of owners, and only one vote shall be allowed for each membership. Members owning more than one lot shall be entitled to one vote for each lot owned.

RIGHTS OF MEMBERS: Only members in good standing, members of their household and guests accompanied by a member may use the common property. Identification cards will be issued each year to members in good standing. Members must have ID cards in their possession when using the common property.

LOCKING OF GATES: The gate going to the river will be locked at all times. The north and south entrance gates will be locked from Memorial Day through Labor Day each year. One key will be issued to each membership in good standing. These keys cannot be duplicated except under very strict controls by authorized persons. One additional key may be purchased at cost to the corporation upon application to the Board of Directors.

DECALS: Automobiles entering upon the common property will be required to display a decal which shall be permanently affixed to a window. Two decals will be issued to each membership. Additional decals may be purchased at cost to the corporation upon application to the Board of Directors.

LONG RANGE PLANNING: It shall be the purpose of a long range planning committee to establish, review and maintain information regarding the future use of the Blue Valley Acres Landshare, Inc., common property and to present plans and make recommendations to the Board of Directors. The committee shall, through contact with other members, compile opinions, desires and requests pertinent to long range use of the common property, both existing and proposed, and shall formulate and present plans and alternatives to the Board, and to the membership when requested.

Articles of Incorporation

of

BLUE VALLEY ACRES LAND SHARE, INC.

A Non-Profit Corporation

The undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the Colorado Corporation Code, does hereby certify and verify as follows:

Article I

The name of the Corporation is Blue Valley Acres Land Share, Inc.

Article II

The three parties associated herewith, desire to establish a corporation, not for profit, for a lawful business or to promote any legitimate object or purpose and may make, sign and acknowledge any instrument, as grantor or grantee in the ownership or real estate, where required, granting or accepting title to real estate in the State of Colorado and will record in the office of the Clerk and Recorder of any county in which such real estate is owned, a Certificate of Incorporation, for a Non Profit Corporation as approved by the Secretary of State, State of Colorado.

Article III

The period of duration of the corporation shall be perpetual.

Article IV

The primary purpose of this corporation is to accept title to the following described parcel of land for sporting or athletic purposes and other recreational activities, abutting the Blue River and contiguous to Blocks and Lots, known as Blue Valley Acres; formerly held in trust for the benefit of all owners of lots in Blue Valley Acres which have heretofore been purchased, for the purpose of enjoyment by all lot owners in the general common elements of the following described property, to wit:

Beginning at a point whence the Northeast corner of Section 21, T1S, R80W of the 6th P.M. bears $N52^{\circ}04'30''E$ a distance of 4,318.77 feet, thence $S89^{\circ}58'W$ 173.25 feet to the Meander Line of the Blue River, thence $S25^{\circ}10'E$ 211.4 feet along said Meander Line of the Blue River, thence $S19^{\circ}10'W$ 850.08 feet, thence $S04^{\circ}10'E$ 359.7 feet, thence $S42^{\circ}20'E$ 240.24 feet, thence $S58^{\circ}55'E$ 349.8 feet, thence $S35^{\circ}05'E$ 199.98 feet, thence $S02^{\circ}45'E$ 500.28 feet, thence $S52^{\circ}45'E$ 549.78 feet, thence $S60^{\circ}00'E$ 289.74 feet, thence $S18^{\circ}25'E$ 1100.22 feet, thence $S34^{\circ}20'E$ 80.12 feet, thence leaving the Meander Line of said Blue River, thence $S89^{\circ}55'E$ 397.4 feet, thence $N26^{\circ}13'W$ 290.87 feet, thence $N26^{\circ}00'W$ 750.0 feet, thence $N43^{\circ}01'W$ 500.0 feet, thence $N63^{\circ}50'W$ 500.0 feet, thence $N50^{\circ}26'W$ 190.0 feet, thence $N04^{\circ}11'W$ 560.0 feet, thence $N14^{\circ}35'W$ 250.0 feet, thence $N21^{\circ}46'W$ 500.0 feet, thence $N03^{\circ}27'W$ 500.0 feet, thence $N08^{\circ}51'W$ 250.0 feet, thence $N01^{\circ}58'E$ 250.0 feet, thence $N0^{\circ}02'E$ 60.0 feet to the point of beginning.

Beginning at a point whence the Northeast corner of Section 21, T1S, R80W of the 6th P.M. bears $S89^{\circ}55'E$ a distance of 2,339.7 feet, (Said point of beginning being on the Section Line between Section 16 and Section 21 and on the Meander Line of the Blue River), thence $S37^{\circ}55'W$ 483.85 feet, thence $S05^{\circ}E$ 876.08 feet, thence $N13^{\circ}34'E$ 1293.9 feet, thence $S89^{\circ}55'E$ 53.0 feet, thence $N02^{\circ}00'E$ 330.8 feet, thence $N89^{\circ}55'W$ 69.98 feet, thence $S19^{\circ}50'E$ 87.75 feet, thence $S07^{\circ}15'W$ 250.14 feet to the point of beginning.

Beginning at a point whence the Northeast Corner of Section 21, T1S, R80W of the 6th P.M. bears $S89^{\circ}55'E$ 2,475.0 feet, (Said point of beginning being on the Section Line between Section 16 and Section 21, and on the Meander Line of the left bank of the Blue River, thence along the Meander Line of the Blue River $S45^{\circ}50'W$ 450.12 feet, thence $S37^{\circ}05'W$ 599.94 feet, thence $S13^{\circ}00'W$ 500.28 feet, thence $S30^{\circ}10'W$ 599.94 feet, thence $S19^{\circ}55'W$ 500.28 feet, thence $S03^{\circ}00'E$ 500.28 feet, thence $S18^{\circ}40'W$ 399.96 feet, thence $S10^{\circ}20'W$ 570.24 feet, thence $S10^{\circ}20'E$ 281.54 feet, thence leaving the Meander Line of the Blue River, $N89^{\circ}55'W$ 11.47 feet, thence $N14^{\circ}00'W$ 554.02 feet, thence $N04^{\circ}54'W$ 784.2 feet, thence $N30^{\circ}35'E$ 300.0 feet, thence $N76^{\circ}34'E$ 76.8 feet, thence $N28^{\circ}45'E$ 333.4 feet, thence $N06^{\circ}22'E$ 145.3 feet, thence $N25^{\circ}22'E$ 1023.0 feet, thence $N35^{\circ}25'E$ 143.6 feet, thence $N03^{\circ}52'E$ 250.5 feet, thence $N19^{\circ}44'W$ 169.6 feet, thence $N16^{\circ}59'E$ 223.7 feet, thence $N28^{\circ}14'E$ 346.6 feet, thence $N14^{\circ}04'W$ 324.45 feet, thence $S89^{\circ}55'E$ 609.63 feet, thence $S07^{\circ}35'E$ 221.24 feet, thence $S19^{\circ}99'W$ 120.12 feet to the point of beginning.

Article V

The Corporation shall have the authority to issue certificates of membership, or membership shares up to a maximum of 890 shares and each membership share shall be entitled to one vote for the election of directors or other corporate action whenever a vote of the members is required or permitted under the provisions of the Colorado Corporation Code, these Articles of Incorporation or the By-Laws adopted by this corporation.

Article VI

The Directors, for and on behalf of the Corporation do hereby elect to accept the provisions of Article 20 to 29 of Chapter 7 1973 CRS of the Colorado Corporation Code as a Non Profit Corporation.

Article VII

That the Directors, hereinafter named, shall file a declaration in Grand County, Colorado, which declaration shall, among other things require that all lot owners, sometimes known as condominium owners, be shareholder members of this Corporation for and during the time that they are owners of any lot, in any block within the subdivision known as Blue Valley Acres; and that such membership shall persist, until such time as any such owner shall dispose of his, her or its shares. This covenant is one that will run with the land and at such time as any such owner shall sell said lot or lots, the membership share or shares so owned, shall be transferred, and the certificate of membership shall be delivered to the new owner upon the date of closing for presentation to the corporation for cancellation and issuance of a new certificate upon the books and records of this corporation.

Article VIII

The number and term of office of the Directors of Blue Valley Acres Land Share, Inc. shall be as follows:

Three Directors, whose names are:

Howard St. Cyr
Clayton Stice
Pauline Hood

The term of office of said Directors shall be until the first annual meeting of the corporation to be held in accordance with the By-Laws of the corporation.

The manner of selection or election of Directors, for substitution of term or as successor Directors shall be as set forth in the By-Laws of the corporation.

Article IX

There shall be only one kind or class of members and each shareholder of this corporation shall have equal privileges to the use of the general common elements as hereinabove described. This use shall consist of but not be limited to, the right of access over, across and upon the land described as the general common element for the purpose of fishing, hunting, camping and/or general recreation.

Article X

The Directors, and their successors shall at all times have the authority to convey or encumber all or any part of the corporate property and are hereby authorized to execute any and all instruments of conveyance and/or encumbrance of said corporate property, in accordance with the terms and conditions of the By-Laws.

Article XI

This certificate of incorporation and/or the By-Laws of this corporation may be amended by a majority vote of the shareholders at a regular or special meeting held for that purpose. Any amendment to this certificate shall be filed with the office of the Secretary of State, State of Colorado and recorded in the office of the Clerk and Recorder of any County in which the corporation owns real estate.

Article XII

The initial registered office of the corporation is 4305 Harlan Street, Wheatridge, Colorado 80033. Registered Agent-Howard R. St. Cyr.

IN WITNESS WHEREOF, these Articles of Incorporation have been executed and verified this 4 day of December, 1979.

So signed by:

Howard R. St. Cyr
Clayton L. Stice
Pauline Hood

BY-LAWS

BLUE VALLEY ACRES LAND SHARE, INC.

ARTICLE I

OFFICES

SECTION 1. REGISTERED OFFICE. The registered office shall be at 1434 South Ward Street, Lakewood, Colorado 80228, and Ernie Hartman shall be the registered agent of this corporation in charge thereof. The registered office and registered agent may be changed from time to time by resolution of the Board of Directors.

SECTION 2. PRINCIPAL OFFICE. The principal office shall be maintained at 1434 South Ward Street, Lakewood, Colorado 80228. The principal office may be changed from time to time by resolution of the Board of Directors.

SECTION 3. OTHER OFFICES. The corporation may have other offices, either within or without the State of Colorado, at such place or places as the Board of Directors may from time to time appoint or the business of the corporation may require.

ARTICLE II

MEETINGS OF MEMBERSHIP

SECTION 1. ANNUAL MEETINGS. Annual meetings of members for the election of directors and for such other business as may be stated in the notice of the meeting shall be held at such place, either within or without the state of Colorado, and at such time and date as the Board of Directors, by resolution, shall determine and as set forth in the notice of the meeting. In the event the Board of Directors fails to determine the time, date and place of meeting, the annual meeting of members shall be held at the principal office of the corporation in Colorado on the last Tuesday in April of each year, with the first annual meeting to be held on April 29, 1980.

If the date of the annual meeting shall fall upon a legal holiday, the meeting shall be held on the next succeeding business day. At each annual meeting the members entitled to vote shall elect a Board of Directors, and they may transact such other corporate business as shall be stated in the notice of the meeting.

SECTION 2. OTHER MEETINGS. Meetings of the members for any purpose other than the election of directors may be held at such time and place, within or without the State of Colorado, as shall be stated in the notice of the meeting.

SECTION 3. MEMBERSHIP. All owners of lots in Blue Valley Acres, Grand County, Colorado, as of the date of incorporation are eligible for membership in the corporation. Certificates of membership representing ten (10) shares for each lot owned in Blue Valley Acres shall be issued by the corporation to each such owner

or owners, providing all prior assessments are paid in full. Certificates of membership shall be withheld by the Board of Directors until such lot owner or owners pay all prior assessments.

SECTION 4. VOTING. Each member entitled to vote in accordance with the terms of the Certificate of Incorporation and in accordance with the provisions of these By-laws shall be entitled to one vote, in person or by proxy, for each membership share held by such member, but no proxy shall be voted after one year from its date unless such proxy provides for a longer period. Upon demand of any member, the vote for directors and the vote upon any question before the meeting shall be by ballot. Cumulative voting shall be allowed in the election for directors, but not for any other purpose. If a quorum is present, as quorum is later defined, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the acts of the members, unless the vote of a greater portion or number is required by the Certificate of Incorporation or the laws of the State of Colorado.

A complete list of the members entitled to vote at the ensuing election, arranged in alphabetical order, with the address of each and the number of shares held by each, shall be open to the examination of any member, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any member who is present.

SECTION 5. QUORUM. Except as otherwise required by law, by the Certificate of Incorporation, or by these By-Laws, the presence, in person, or by proxy, of members holding one-fifth (1/5) of the stock of the corporation entitled to vote shall constitute a quorum at all meetings of the members. In case a quorum shall not be present at any meeting, a majority in interest of the membership entitled to vote thereat, present in person or by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of stock entitled to vote shall be present. At any such adjourned meeting at which the requisite amount of stock entitled to vote shall be represented, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those members entitled to vote at the meeting as originally noticed shall be entitled to vote at any adjournment or adjournments thereof.

SECTION 6. SPECIAL MEETINGS. Special meetings of the membership for any purpose or purposes may be called by the President or Secretary, or by resolution of the directors or by members holding not less than one-fifth (1/5) of the voting power of the corporation.

SECTION 7. NOTICE OF MEETING. Written notice, stating

the place, date and time of the meeting and general nature of the business to be considered, shall be given to each member entitled to vote thereat at his address as it appears on the records of the corporation, not less than five (5) nor more than fifty (50) days before the date of the meeting. No business other than that stated in the notice shall be transacted at any meeting without the unanimous consent of all the members entitled to vote thereat.

SECTION 8. ACTION WITHOUT MEETING. Except as otherwise provided by the Certificate of Incorporation, whenever the vote of the membership at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the Certificate of Incorporation or of these By-laws, the meeting and vote of the membership may be dispensed with, if all of the members who would have been entitled to vote upon the action if such a meeting were held, shall consent in writing to such corporate action being taken.

ARTICLE III

DIRECTORS

SECTION 1. NUMBER AND TERM. The number of directors shall be as fixed by these By-laws but shall not be less than three (3) nor more than seven (7). The directors shall be elected at the annual meeting of the members, and each director shall be elected to serve until his successor shall be elected and shall qualify.

SECTION 2. RESIGNATIONS. Any director, member of a committee or other officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and if no time be specified, at the time of its receipt by the President and Secretary. The acceptance of a resignation shall not be necessary to make it effective.

SECTION 3. VACANCIES. If the office of any director, member of a committee or other officer becomes vacant, the remaining directors in office, though less than a quorum, by a majority vote may appoint any qualified person to fill such vacancy, who shall hold office for the unexpired term and until his successor shall be duly chosen.

SECTION 4. REMOVAL. Any director or directors may be removed either for or without cause at any time by the affirmative vote of the holders of majority of all the shares outstanding and entitled to vote, at a special meeting of the members called for the purpose, and the vacancies thus created may be filled at the meeting held for the purpose of removal, by the affirmative vote of a majority in interest of the membership entitled to vote.

SECTION 5. INCREASE OR DECREASE OF NUMBER. The number of directors may be increased or decreased by amendment of these By-laws by the affirmative vote of a majority of the directors, though less than a quorum, or by the affirmative vote of a majority in interest of the membership at the annual meeting or at a special

meeting called for that purpose, and by like vote the additional directors may be chosen at such meeting to hold office until the next annual election and until their successors are elected and qualify; provided, however, that the number shall not be less than three (3).

SECTION 6. POWERS. The Board of Directors shall exercise all of the powers of the corporation except such as are by law, or by the Certificate of Incorporation of the corporation, or by these By-laws, conferred upon or reserved to the membership, provided that no authorization for the expenditure of corporation funds in excess of \$5,000 shall be made by the Board unless approved by a two-thirds majority of the membership voting at a meeting called in accordance with Section 7, Article II of these By-laws.

SECTION 7. COMMITTEES. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees to consist of two or more of the directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution or in the By-Laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it; provided, however, the By-laws may provide that in the absence or disqualification of any member of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

SECTION 8. MEETINGS. The newly elected directors may hold their first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after the annual meeting of the membership, or the time and place of such meeting may be fixed by consent in writing of all the directors.

Regular meetings of the directors may be held without notice at such places and times as shall be determined from time to time by resolution of the directors.

Special meetings of the Board may be called by the President or by the Secretary on the written request of any two directors on at least two days' notice to each director and shall be held at such place or places as may be determined by the directors, or as shall be stated in the call of the meeting.

SECTION 9. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

SECTION 10. COMPENSATION. Directors shall not receive any stated salary for their services as directors or as members of committees, but by resolution of the Board a fixed fee and expenses of attendance may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent or otherwise, and receiving compensation thereof.

SECTION 1. ACTION WITHOUT MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the Board, or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Article IV

OFFICERS

SECTION 1. OFFICERS. The officers of the corporation shall be a President, a Treasurer and a Secretary, all of whom shall be elected by the Board of Directors and who shall hold office until their successors are elected and qualified. In addition, the Board of Directors may elect a Chairman, one or more Vice Presidents and such Assistant Secretaries and Assistant Treasurers as they deem proper. None of the officers of the corporation need be directors. The officers shall be elected at the first meeting of the Board of Directors, after each annual meeting. No more than two offices may be held by the same person.

SECTION 2. OTHER OFFICERS AND AGENTS. The Board of Directors may appoint such other officers and agents as it may deem advisable, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

SECTION 3. CHAIRMAN. The Chairman of the Board of Directors, if one be elected, shall preside at all meetings of the Board of Directors and he shall have and perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 4. PRESIDENT. The President shall be the chief executive officer of the corporation and shall have the general powers and duties of supervision and management usually vested in the office of the President of a corporation. He shall preside at all meetings of the membership if present thereat, and in the absence or non-election of the Chairman of the Board of Directors, and shall have general supervision, direction and control of the business of the corporation. Except as the Board of Directors shall authorize the execution thereof in some other manner, he shall execute bonds, mortgages and other contracts in behalf of the corporation, and shall cause the seal to be affixed to any instrument requiring it, and when so affixed the seal shall be attested by the signature of the Secretary or the Treasurer or an Assistant Secretary or an Assistant Treasurer.

SECTION 5. VICE PRESIDENT. Each Vice President shall have such powers and shall perform such duties as shall be assigned to him by the Directors.

SECTION 6. TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate account of receipts and disbursements in books belonging to the corporation. He shall deposit all moneys and other valuables in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the corporation as may be ordered by the Board of Directors, or the President, taking proper vouchers for such disbursements. He shall render to the President and Board of Directors at the regular meetings of the Board of Directors, or whenever they may request it, an account of all his transactions as Treasurer and of the financial condition of the corporation. If required by the Board of Directors, he shall give the corporation a bond for the faithful discharge of his duties in such amount and with such surety as the Board shall prescribe.

SECTION 7. SECRETARY. The Secretary shall give, or cause to be given, notice of all meetings of members and directors, and all other notices required by law or by these By-laws, and in case of his absence or refusal or neglect so to do, any such notice may be given by any person thereunto directed by the President, or by the directors, or member, upon whose requisition the meeting is called as provided in these By-laws. He shall record all the proceedings of the meetings of the corporation and of the directors in a book to be kept for that purpose, and shall perform such other duties as may be assigned to him by the directors or the President. He shall have the custody of the seal of the corporation and shall affix the same to all instruments requiring it, when authorized by the directors or the President, and attest the same.

SECTION 8. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. Assistant Treasurers and Assistant Secretaries, if any, shall be elected and shall have such powers and shall perform such duties as shall be assigned to them, respectively, by the directors.

SECTION 9. DUTIES MAY BE DELEGATED. In case of the absence of any officer of the corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate, for the time being, all or part of the powers or duties of such officer to any other officer or any director.

ARTICLE V

MISCELLANEOUS

SECTION L. CERTIFICATES OF MEMBERSHIP. Certificates of Membership, signed by the Chairman or Vice Chairman of the Board of Directors, if they be elected, President or Vice President and Treasurer or an Assistant Treasurer, or Secretary or an Assistant Secretary, shall be issued to each member certifying the number of shares owned by him in the corporation.

SECTION 2. LOST CERTIFICATES. A new certificate of membership may be issued in the place of any certificate theretofore issued by the corporation, alleged to have been lost or destroyed, and the directors may, in their discretion, require the owner of the lost or destroyed certificate, or his legal representatives, to give the corporation a bond, in such sum as they may direct, to indemnify the corporation against any claim that may be made against it on account of the alleged loss of any such certificate, or the issuance of any new certificate.

SECTION 3. TRANSFER OF MEMBERSHIP. The shares of membership shall be transferable upon the books of the corporation only upon sale or transfer by deed or other conveyance such as will, devise, inheritance or intestate succession from or through the owner of record of any of the tracts as shown on Exhibit "A" attached hereto and incorporated herein for all purposes. The shares of membership of the corporation shall be transferable by the holders thereof in person or by their duly authorized attorneys or legal representatives and upon such transfer the old certificates shall be surrendered to the corporation by the delivery thereof to the then Secretary who is in charge of the membership and transfer books of the corporation, or to such person or persons as the directors may designate, by whom they shall be canceled, and new certificates shall thereupon be issued. The Secretary or other designated party shall then place the name and address of the transferee along with the new certificate number on the appropriate lot and block of Exhibit "A."

All certificates of membership issued by the corporation shall have affixed on the face of the membership certificate the following language:

"See restrictions on transfer affixed hereto"

with a rider attached to the certificate containing the following language:

"This certificate may not be sold or transferred by the holder hereof, except upon transfer of Lot _____ Block _____ Blue Valley Acres, Grand County, Colorado, at which time this certificate must be surrendered to the corporation for cancellation and reissue in the name of the transferee."

SECTION 4. MEMBERSHIPS RECORD DATE. In order that the corporation may determine the members entitled to notice of or to vote at any meeting of the membership or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of membership of record entitled to notice of or to vote at a meeting of membership shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

The corporation, being a non-profit corporation, shall at no time declare any dividends on the membership shares. The benefits to the members shall be the use and enjoyment of the common elements of the property owned by the Corporation.

SECTION 5. SEAL. The corporate seal shall be circular in form and shall contain the name of the corporation and the words "CORPORATE SEAL COLORADO." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

SECTION 6. FISCAL YEAR. The fiscal year of the corporation shall end December 31st of each year, unless otherwise determined by resolution of the Board of Directors.

SECTION 7. CHECKS. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner as shall be determined from time to time by resolution of the Board of Directors.

SECTION 8. NOTICE AND WAIVER OF NOTICE. Whenever any notice is required by these By-laws to be given, personal notice is not meant unless expressly so stated, and any notice so required shall be deemed to be sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records of the corporation, and such notice shall be deemed to have been given on the date of such mailing. Members not entitled to vote shall not be entitled to receive notice of any meetings except as otherwise provided by statute.

Whenever any notice, whatever is required to be given under the provisions of any law, or under the provisions of the Certificate of Incorporation of the corporation or these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 9. INSPECTION OF CORPORATE RECORDS. The share register or duplicate share register, the books of account and the minutes of proceedings of the membership and directors shall be open to inspection upon the written demand of any member or the holder of a voting trust certificate, at a reasonable time, and for a purpose reasonably related to his interests as a member; and shall be produced at any time when required by the demand of ten percent (10%) of the shares represented at any membership meeting. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a membership meeting shall be made in writing upon the President, Secretary or Assistant Secretary of the corporation. Every such demand, unless granted, shall be referred by such officer to the Board of Directors.

SECTION 10. CONTRACTS, ETC. - HOW EXECUTED. The Board of Directors, except as in the By-laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by these By-laws or resolution of the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

SECTION 11. INSPECTION OF BY-LAWS. The corporation shall keep in its principal office for the transaction of business the original or a copy of the By-laws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the members at all reasonable times during office hours.

SECTION 12. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES. (a) When a person is sued, either alone or with others, because he is or was a director, officer, or employee of the corporation, in any proceedings (whether brought by the corporation, its receiver, its trustee, one or more of its stockholders or creditors, any governmental body, any public official or any private person or corporation, domestic or foreign) arising out of his alleged misfeasance or non-feasance in the performance of his duties or out of any alleged wrongful act against the corporation or by the corporation, he shall be indemnified for his reasonable expenses, including attorney's fees incurred in the defense of the proceeding, if both of the following conditions exist:

(1) The person sued is successful in whole or in part, or the proceedings against him is settled with the approval of the Court.

(2) The Court finds that his conduct fairly and equitably merits such indemnity. The amount of such indemnity may be assessed against the corporation, its receivers, or its trustee, by the Court in the same or in a separate proceeding and shall be so much of the expenses, including attorney's fees incurred in the defense of the proceeding, as the Court determines and finds to be reasonable. Application for such indemnity may be made either by a person sued or by the attorney or other person rendering services to him in connection with the defense, and the Court may order fees and expenses to be paid directly to the attorney or other person, although he is not a party to the proceeding.

Notice of the application for such indemnity shall be served upon the corporation, its receiver or its trustee, and upon the plaintiff and other parties to the proceeding. The Court may order notice to be given also to the stockholders in the manner provided elsewhere in these By-laws for giving notice of stockholders' meetings in such form as the Court directs.

(b) Notwithstanding the provisions of Subdivision (a) of this Section 12, the Board of Directors may authorize the corporation to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, a present or former director, officer or employee of the corporation in an action brought about by a third party against such person (whether or not the corporation is joined as a party defendant) to impose a liability or penalty on such person for an act alleged to have been committed by such person while a director, officer or employee, or by the corporation, or by both; provided, the Board of Directors determines in good faith that such director, officer or employee was acting in good faith within what he reasonably believed to be the scope of his employment or authority and for a purpose which he reasonably believed to be in the best interests of the corporation or its stockholders. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or the threatened action. This subdivision (b) does not apply to any action instituted or maintained in the right of the corporation by a stockholder or holder of a voting trust certificate representing stocks of this corporation.

(c) The provisions of this Section 12 shall apply to the estate, executor, administrator, heirs, legatees or devisees of a director, officer or employee, and the term "person" where used in the foregoing subdivisions of this section shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

ARTICLE VI

SECTION 1. AMENDMENTS. These By-laws may be altered, amended, changed, or repealed by the affirmative vote of a majority of the Board of Directors, at any regular meeting of the Board of Directors or at any special meeting if notice of the proposed alteration, amendment, change or repeal be contained in the notice of such special meeting. These By-laws also may be altered, amended, changed or repealed at the annual meeting of the membership or at any special meeting if notice of the proposed alteration, amendment, change or repeal be contained in the notice of the meeting, by the affirmative vote of a majority of the shares issued and outstanding and entitled to vote thereat.

SECTION 2. MEMBERSHIP ASSESSMENTS OR DUES. The Board of Directors may adopt a resolution setting annual dues in an amount not to exceed in any one year twenty-five dollars (\$25.00) per member and may make such rules and regulations regarding such annual dues or assessments as the Board may determine in their sole discretion concerning the rights, privileges and use of the corporate property by any member who may default in the payment of such dues or assessments.

SECTION 3. ENFORCEMENT OF BY-LAWS AND COVENANTS. The Board of Directors shall have the power and authority to enforce each and every provision of the By-laws and covenants, including the power to assess liens, to commence and maintain an action to enjoin any breach or threatened breach of any of the provisions, and enforce any assessment lien and to pay all costs of any such action or other enforcement procedure. The Board, as part of its

power to assess liens, shall notify members of violations and provide the member with the reasonable time to correct the violation. If the member does not correct the violation, the Board shall have the power to enter on to the member's property and take the necessary corrective action, and assess the cost thereof against the member. Such assessment shall be enforceable by assessment lien enforcement procedures. The Board may take such judicial action against the member to enforce compliance of these provisions, collect assessment liens, or obtain damages for noncompliance, all to the extent permitted by law, including recovery of costs and reasonable attorney fees.

SECTION 4. These By-laws shall supersede the restrictive covenants for Blue Valley Acres Subdivision, Grand County, dated December 2, 1960, recorded December 5, 1960, in Book 135, at page 162, under reception 93106, records of Grand County, Colorado, to the extent and only to the extent that they conflict with those restrictive covenants. These By-laws have been approved and adopted by a three-fourths (3/4) majority of the shares represented, thereby conforming to all requirements contained in the covenants.

September 16, 1989.

AMENDMENT TO BY-LAWS, BLUE VALLEY ACRES LANDSHARE, INC.

REVISED: March 12, 1994

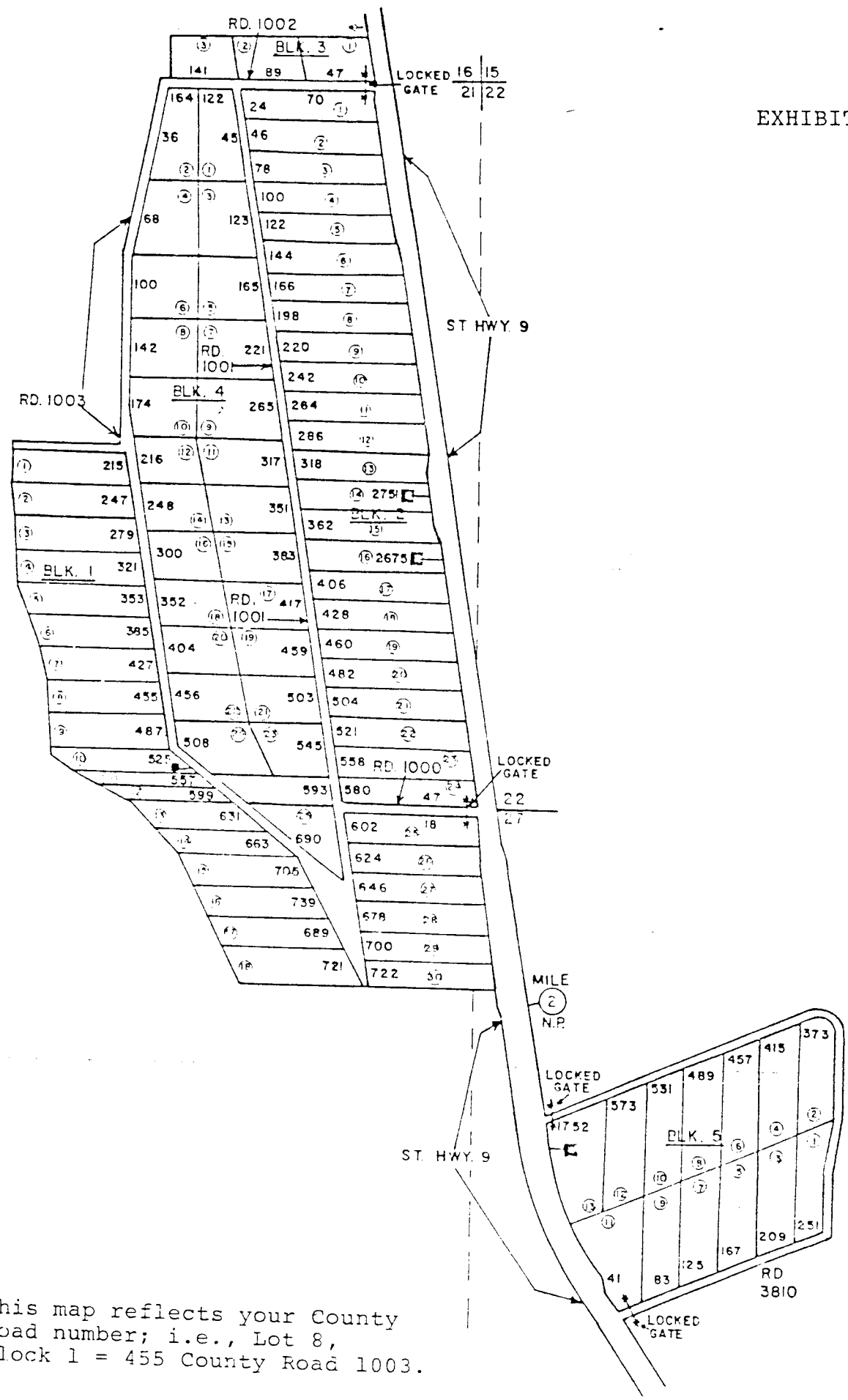
ARTICLE II, Section 3:

MEMBERSHIP: All owners of lots in Blue Valley Acres, Grand County, Colorado, as of the date of incorporation are eligible for membership in the corporation. Certificates of membership representing ten (10) shares... **(Change to)** One certificate of membership representing an undividable ten (10) shares for each lot owned in Blue Valley Acres shall be issued by the corporation to each such owner, or owners, providing all prior assessments are paid in full. Certificates of membership shall be withheld by the Board of Directors until such lot owner or owners pay all prior assessments.

ARTICLE II, Section 4:

VOTING: Each member entitled to vote in accordance with the terms of the Certificate of Incorporation and in accordance with the provisions of these By-laws shall be entitled to one vote, in person or by proxy, for each membership share held by such members. **(Add)** Each lot shall constitute one membership, regardless of the number of owners, and only one vote shall be allowed for each membership. Members owning more than one lot shall be entitled to one vote for each lot owned. No proxy shall be voted after one year from its date unless such proxy provides for a longer period. (The remainder of this section is unchanged.)

EXHIBIT "A"



This map reflects your County Road number; i.e., Lot 8, Block 1 = 455 County Road 1003.