

BYLAWS OF MAHOGANY VISTAS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I Definitions

This Corporation is organized under the Colorado Revised Nonprofit Corporation Act and shall be known as the MAHOGANY VISTAS HOMEOWNERS ASSOCIATION, INC. hereinafter called the "Association" and is charged with enforcement of the Declaration of Protective Covenants for Mahogany Vistas, Garfield County Colorado, recorded in Book 613 at Page 02 in the office of the Garfield County Clerk and Recorder, hereinafter the "Protective Covenants".

ARTICLE II Offices

The principal office of the corporation shall be 381 South 9th Street, Rifle, Colorado 81650. The corporation may also have one or more offices at such other place or places within or without the State of Colorado as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE III Membership

Section 1. Number. There shall be one (1) membership in the Association for each of the Lots of Mahogany Vistas, as set forth on the Plat thereof (hereinafter "the Lots").

Section 2. Voting. The respective memberships shall be held by the Members of the Association who shall be the owners of the Lots of Mahogany Vistas, as shown on the records of the Clerk and Recorder of Garfield County, Colorado. If title to a Lot is held by more than one (1) person or entity, the membership relating to that Lot shall be shared by all such persons in the same proportionate interest and in the same type of tenancy by which the title to the Lot is held.

Section 3. Ownership. Any person, on becoming an owner of a Lot shall automatically become a member of this Association and be subject to these bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall in no way relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in the Association. Any person on becoming an owner of a Lot shall furnish to the Association or its managing agent, a machine or certified copy of the recorded instrument vesting that person with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

ARTICLE IV Meeting of Members

Section 1. Annual Meeting. The annual meeting of the Association, for the purpose of electing Directors and for the transaction of such other business as may come before the meeting, shall be held in May of each year or upon such date as agreed upon by all directors with notice to all members. Any member entitled to vote thereat may call the meeting to order and a chairman of the meeting shall be elected. The Secretary of the corporation shall act as secretary of such meeting.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of one-half (1/2) of the membership. The purposes of such special meeting shall be stated in the notice therefor. No business except as stated in the notice shall be transacted at a special meeting.

Section 3. Notice of Meetings. Notice of each meeting of members, whether annual or special, shall be given not less than ten (10) nor more than fifty (50) days prior thereto to each member of record entitled to vote thereat by delivering written notice thereof to each member personally or by mailing the same to his address as it appears on the books of the corporation. The notice of all meetings shall state the place, day and hour thereof. Meetings shall be held at the principal office of the corporation or at such other place or places, within or without the State of Colorado, as may be from time to time, determined by the Board. If mailed, such notice shall be deemed to be delivered on the date of mailing, and shall be addressed to the member's address last appearing on the books of the Association, or as supplied by such member to the Association for the purpose of notice. The certificate of the Secretary that notice was fully given shall be prima facie evidence thereof.

Section 4. Quorum. The holders of a majority of the total members' votes entitled to vote thereat, present in person or represented by proxy, shall be requisite to and shall constitute a quorum at all meetings of members for the transaction of business except as otherwise expressly provided by law or by the Articles of Incorporation. If such quorum shall not be present or represented at any such meeting, the holders of a majority of the votes present in person or represented by proxy and entitled to vote thereat shall have power to adjourn the meeting from time to time until a quorum shall be present or represented. When a quorum is present at any meeting, the affirmative vote of a majority of the members' votes present in person or represented by proxy shall decide any question brought before such meeting, except as otherwise provided in these bylaws or the articles of incorporation, in which case the express provisions shall govern and control the decision of such question.

Section 5. Voting and Proxies. At all meetings of members, each member shall be entitled to vote in person or by proxy executed in writing by such member or by his duly authorized attorney in fact; provided, however, that no such proxy shall be valid after eleven (11)

months from the date of its execution, unless the proxy provides for a longer period. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. The cumulative system of voting shall not be used for any purpose.

Section 6. Actions Taken Without Meeting. Any action required or permitted to be taken at any meeting of members may be taken without a meeting, prior notice or a vote, if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof.

ARTICLE V Board of Directors: Selection and Term of Office

Section 1. Number. The property, business and affairs of the Association shall be managed by a Board of no fewer than three (3) Directors, to be elected from the Lot owners and members of the Association.

Section 2. Term of Office. At the first annual meeting, the members shall elect, from among the Lot owners Directors who shall serve a term of one year. At each annual meeting thereafter, the members shall fill the respective vacancies by electing Director(s) from among the Lot owners who shall serve a term of one year.

Section 3. Resignations. Any Director may resign at any time by giving written notice of such resignation to the Board of Directors, the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board of Directors or such officer.

Section 4. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No Director shall receive compensation for any services he may render to the Association. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties. Nothing herein contained shall be construed so as to preclude any Director from serving the corporation in any other capacity and receiving compensation therefor.

Section 6. Action Taken Without a Meeting. Any action which may be taken by the Board of Directors at a meeting may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed before such action by all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI
Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made at the annual meeting. Such nomination may be made only from among members.

Section 2. Election. Each member entitled to vote, or his proxy, may cast one vote with respect to each vacancy in the Board of Directors. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. Election to the Board of Directors shall be by secret written ballot.

ARTICLE VII
Meeting of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held as deemed necessary by the Board, at such place and hour as may be fixed from time to time by resolution of the Board. Meetings of the Board of Directors may be held at such place or places as shall from time to time be determined by the Board.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association after not less than three (3) days notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. 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.

Section 4. Waiver. Any Director may waive notice of a meeting and such waiver shall be deemed equivalent to the giving of notice.

Section 5. Manner of Acting. The Directors shall in all cases act as a board and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

Section 6. Presumption of Assent. A Director of the corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VIII
Powers and Duties of the Board of Directors

Section 1. Generally. All of the powers and duties given to the Board of Directors under the Colorado Revised Nonprofit Corporation Act, the Articles of Incorporation, these bylaws, and the Protective Covenants shall be exercised exclusively by the Board of Directors, its agents, contractors or employees, subject only to the approval by the members when such is specifically required.

Section 2. Powers. In addition to the foregoing powers, the Board of Directors shall specifically have the following powers, subject to the terms, requirements and restrictions of the Articles of Incorporation:

a) from time-to-time, and by a vote of the majority of the Board, adopt, modify, amend, revoke and enforce, in whole or in part, rules and regulations governing the conduct of persons within the Lots together with the use and operation of the property of the Association and the common elements and common property as defined, not in conflict with these bylaws and amendments hereto. Such rules and regulations shall be recorded with the Secretary and shall be sent to each Lot owner by registered mail prior to the effective date of their application;

b) suspend the voting rights and the right to use the common elements 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 the Association's published rules and regulations;

c) exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not reserved to the members by other provisions of these bylaws or the articles of incorporation.

d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors;

e) employ a Director, managing independent contractor, and such other employees as are deemed necessary and to prescribe their duties; and

f) generally to exercise whatever other powers and duties as are necessary for the administration of the affairs of the Association and for the operation and maintenance of Mahogany Vistas as a first class residential property.

Section 3. 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 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 one-third (1/3) of all the votes held by owners;
- b) supervise all officers, agents and employees of the Association, and see that their duties are properly performed and designate or remove such other personnel as necessary for the operation, maintenance, repair and replacement of the common elements;
- c) adopt an amended budget and impose assessments pursuant to the bylaws and or the Protective Covenants;
- d) send written notice of each assessment to every member of each annual assessment period;
- e) bill, collect, and as necessary, receipt for all assessments and other charges due to the Association from the Lot owners for all rental or other payments from lessee or concessionaires, if any;
- f) foreclose the lien against any property for which assessments are not paid after the due date thereof or bring an action at law against the members personally obligated to pay the same pursuant to the Protective Covenants;
- g) issue, or cause an appropriate officer to issue, upon ten (10) days demand by an owner, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- h) incur such costs and expenses as may be necessary to properly maintain and to keep in good order, condition and repair all of the general and limited common elements and all of the common property of the Association;
- i) procure and maintain insurance;
- j) negotiate and execute contracts for water, septic tank maintenance, sewer, electricity, gas, telephone, water treatment, rubbish removal, animal control, or vermin extinction, if necessary, and such other necessary services as may be deemed advisable;
- k) manage the common property, public roadways and common areas pursuant to the Protective Covenants.

l) maintain and utilize the water rights and irrigation water distribution system of the Association; and

m) enforce the provisions of the Protective Covenants by such legal and equitable actions as may be appropriate.

Section 4. Managing Agent. Should the Board of Directors elect to engage the services of a managing agent, it may delegate the duties and powers contained in Section 3 of this Article; provided, however, that such delegation shall in no way relieve the Board of Directors of any of its responsibilities.

ARTICLE IX Officers and Their Duties

Section 1. Enumeration of Officers. The officers of the Association shall be a President, a Secretary, and a Treasurer, and such other officers as the Board may create. One or more Vice Presidents may also be elected. Officers of the corporation shall be entitled only to such salaries, emoluments, compensation or reimbursement as shall be fixed or allowed by the Board of Directors.

Section 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. Every officer so elected shall continue in office until his successor shall be elected or appointed and shall qualify, unless sooner removed.

Section 3. Term. The officers of the Association shall be elected annually by the Board and each shall hold office for one year unless he shall sooner resign, or shall be removed, or shall be otherwise qualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the vote of the majority of the Board of Directors. Election or appointment of an officer or agent shall not of itself create contract rights. Any officer may resign at any time by giving written notice to the Board, 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.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

a) President. The President shall preside at all meetings of the Board of Directors and of the Lot owners; shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds and other written instruments, and shall discharge such other duties as may be required by him by the Board.

b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Lot owners; serve notice of meeting of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses, and shall perform all duties as incident to the office of Secretary or as required by the Board. The Secretary shall in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or the Board of Directors. The Secretary, at the direction of sixty-seven percent (67%) of the Lot owners may prepare, execute, certify and record amendments on behalf of the Association.

d) Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation and shall deposit all such funds in the name of the corporation in such banks or other depositories as shall be selected by the Board of Directors. The Treasurer shall collect and receive and give receipts for all monies or securities belonging to the corporation. In general, the Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors. The Treasurer shall also prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE X Indemnification

Section 1. General Liabilities. The Directors, employees and officers of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys fees, reasonably incurred by or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having acted as such on behalf of the Association, provided that this indemnification shall not apply if the said person is adjudged guilty of negligence or misconduct in the performance of his duties; provided further that in the event of a settlement, the indemnification herein shall apply only when the Board

approves such settlement and reimbursement as being for the best interests of the Association. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such person may be entitled.

Section 2. Other. Contracts or other commitments made by the Board of Directors, officers or the managing agent shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTICLE XI

Committees

This Association, in conjunction with the Board, may appoint committees as deemed appropriate.

ARTICLE XII

Books and Records

The records of receipt and expenditures of the Board affecting the general and limited common element shall at all times, during reasonable and convenient weekly business hours, be subject to inspection by the Lot owners and their mortgagees. The articles of incorporation and bylaws of the Association shall be available for inspection by the Lot owners and their mortgagees at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

Assessments

Section 1. Obligation of Members. Each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of fifteen percent (15%) per annum, and the Association may bring an action at law against the member or members personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorneys fees of any such action shall be added to the amount of such assessment. No member may waive or otherwise escape liability for the assessments provided for herein by non-use of the common elements or abandonment of his Lot.

Every assessment duly levied against any member by the corporation shall become a lien on the lands and improvements to lands owned by such member. The corporation shall be entitled to maintain an action in the Court in the County of Garfield and State of Colorado for the purpose of recovering any unpaid assessments made against any member, and for the purpose of foreclosing its lien against the real property and improvements of such member for the satisfaction of such unpaid assessments. Upon the request of any member, the Board of Directors shall execute

and deliver an agreement subordinating the lien provided for in this paragraph to the lien of any first mortgage or deed of trust on the real property and improvements owned by the delinquent member. The Board of Directors may, in its discretion, also subordinate the lien provided for in this paragraph to any second or subsequent mortgage or deed of trust.

Assessments may be levied by the corporation upon the members of the corporation, by vote of the majority of the Board present in person or by proxy at any duly called meeting of the Board, for the purpose of funding any of the activities of the corporation, which shall include, but not be limited to: payment of taxes on real and personal property; interest on monies borrowed; road, parking lot and easement construction, surfacing, maintenance, snow removal, legal and accounting fees; managerial salaries, and any and all expenditures needed or required for the operation of the Association affairs. Assessments may include charges for water, or other utilities.

Assessments shall be levied pro-rata on the members in accordance with the ownership of each member.

Section 2. Annual Assessments. The amount of the annual assessment shall be determined by the Board based on the anticipated annual expenses of the Association. Annual assessments shall be payable monthly with one-twelfth (1/12) of the amount due for any fiscal year paid each month of that year.

Section 3. Special Assessments. In addition to the periodic assessments, the Association may levy a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or replacement involving the common elements or property owned by the Association, provided that any such assessment shall have the assent of the required percentage of the members entitled to vote in person or by proxy at a meeting duly called for that purpose.

Section 4. Statements of Accounts. Upon ten (10) days notice to the President or Board of Directors and payment of a reasonable fee, any Lot owner shall be furnished a statement of his account, setting forth the amount of any unpaid assessments or other charges due and owing from such owner.

ARTICLE XIV Amendments

This corporation reserves the right to amend, alter, change or repeal any provisions contained in, or to add any provisions to, its Articles of Incorporation or its Bylaws from time to time, in accordance with the laws of the State of Colorado. The provision of these bylaws shall at all times comply with the requirements of the Colorado Common Interest Ownership Act.


ARTICLE XV
Miscellaneous

Section 1. Articles. In the case of any conflict between the articles of incorporation and these bylaws, the articles shall control.

Section 2. Fiscal Year. The fiscal year shall begin on the first day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date of incorporation.

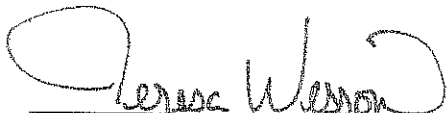
Section 3. Headings. Headings and captions are for the convenience of the reader only and shall not be used to interpret these Bylaws.

Adopted by the Board of Directors of MAHOGANY VISTAS HOMEOWNERS ASSOCIATION, INC. this 22nd day of October, 2002.



President

ATTEST:



Secretary