

**BYLAWS
OF
IRON HORSE SINGLE FAMILY
HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is Iron Horse Single Family Homeowners Association, Inc. ("Association"). The principal office of the corporation shall be located at 786 Valley Court, Grand Junction, Colorado 81505, but meetings of members and the Board of Directors may be held at such places within the State of Colorado as may be designated by the Board of Directors.

**ARTICLE II.
DEFINITIONS**

The definitions set forth in the Declaration for Iron Horse Single Family Subdivision to be recorded in the Montrose County Clerk and Recorder's records and all amendments thereto shall apply to these Bylaws.

**ARTICLE III.
MEETING OF MEMBERS**

Section 1. Annual Meeting. The first annual meeting of the members shall be held on or before one year following the recordation of the Declaration at a time and place to be designated by the initial Board. Thereafter, annual meetings of the members shall be held on or about the 1st day of each June of each fiscal year. Excepting for Saturdays and Sundays, if the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by a majority of the Board, or upon written request of the members having twenty percent (20%) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before, but not greater than

fifty (50) days before, such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and items in the agenda.

Any notice given pursuant to this Article III shall be deemed to be delivered when deposited in the United States mail addressed to such Owner or co-Owner at his address as it appears on the records of the nonprofit corporation, with postage prepaid.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

14

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. 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. A proxy terminates eleven months after its date, unless it provides otherwise.

Section 6. Action of Members Without a Meeting. Any action required to be taken, or any 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 action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

ARTICLE IV. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number and Qualifications. The affairs of the Association shall be managed by a Board of Directors (Board) a minimum of three (3) persons not to exceed five (5) persons, except for those Board members chosen by Declarant pursuant to the Declaration, shall be members of the Association.

Section 2. Term of Office. Subject to the rights of Declarant to select the Board pursuant to the Declaration, at the first annual meeting, the members shall elect one Board member for a term of one year, one Board member for a term of two years, and one Board member for a term of three years. At the election of the Board, the nominee receiving the highest number of votes shall be elected as the Board member to serve for three years, the nominee receiving the second highest number of votes shall be elected as the Board member to serve two years, and the nominees receiving the third highest number of votes shall be elected as the Board member to serve one year. Thereafter, at the annual meeting, if one Board position is available, the members shall elect a nominee for a one year term. If more than one Board position is available, the members shall elect one Board member for a term of one year, one Board member for a term of two years, and if necessary, one Board member for a term of three years.

Section 3. Removal and Vacancies. Except for Board members appointed by Declarant, the members of the Board may be removed from the Board, with or without cause, by a two-thirds (2/3) vote of the members present at a meeting at which a quorum is present. In the event of death, resignation or removal of a Board member, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4. Compensation. No Board member shall receive compensation for any service rendered to the Association. However, any Board member may be reimbursed for actual expenses incurred in the performance of his or her duties.

Section 5. Action Taken Without a Meeting. The Board shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all members of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE V. MEETINGS OF THE BOARD

Section 1. Regular Meetings. Regular meetings of the Board shall be held not less frequently than annually without notice, following the annual meeting of members, at the place of the annual meeting of members.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two Board members, after not less than three (3) days' notice to each Board member.

Written waiver of notice signed by a Board member, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Board member at any meeting shall constitute a waiver of notice of such meeting except when a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 3. Quorum. A majority of the number of the Board members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Board members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 4. Attendance. All regular and special meetings of the Board shall be open to attendance by any member or their representative, except that the Board may restrict attendance to discuss matters set forth in section 38-33.3-308(4)(a) through (e), C.R.S.

Section 5. Meeting by Electronic Device. Members of the Board may participate in a meeting by means of a conference telephone, videolink or similar communication equipment if all persons participating in the meeting can hear and speak to each other at the same time. Participation in a meeting by these means constitutes presence in person at a meeting.

ARTICLE VI. POWERS AND DUTIES OF THE BOARD

Section 1. Powers. The Board shall have all powers, privileges and duties, and perform all of the obligations, as are described in the Declaration, and as set forth in the Colorado Common Interest Ownership Act, sections 38-33.3-101, et seq., C.R.S.

Section 2. Duties. The Board shall perform all duties as shall be described in the Declaration, and undertake all reasonable and necessary action to perform such duties.

Section 3. Management of Funds. If the Association delegates powers of the Board or officers relating to collection, deposit, transfer or disbursement of Association funds to other persons or to a managing agent, then the following requirements shall apply:

a. That the other person or managing agent maintain fidelity insurance coverage or a bond in an amount not less than Fifty Thousand Dollars (\$50,000.00) or such higher amount as the Board may require;

b. That the other person or managing agent maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other person or managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

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

ARTICLE VII. OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified 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 Board. 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. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

a. President. The president shall see that the orders and resolutions of the Board are carried out; shall sign all legal and other written instruments and shall co-sign all checks and promissory notes. The president shall also execute, certify and record amendments to the Declaration on behalf of the Association.

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 members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and in general, shall perform all duties incident to the office of secretary.

d. Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association, provided the Board may authorize a manager to sign checks up to \$500.00; keep the financial books and records of account; and shall 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 VIII.
BUDGETS

As more fully provided in the Declaration, within thirty days after adoption of any proposed budget for the common interest community, the Board of Directors shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all the unit owners and shall set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing or other delivery of the summary. Unless at that meeting a majority of all unit owners or any larger percentage specified in the declaration reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the unit owners must be continued until such time as the unit owners ratify a subsequent budget proposed by the Board of Directors.

ARTICLE IX.
COMMITTEES

The Board may appoint such committees as it deems necessary or appropriate in carrying out its powers and duties under the Declaration, provided that, when so delegated, the Board shall not be relieved of its responsibilities pursuant to the Declaration.

ARTICLE X.
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, the Association shall levy and enforce regular 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 when due, the assessment shall bear interest from the date of delinquency at the rate provided in the Declaration, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner subject to assessments may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

ARTICLE XII. CORPORATE SEAL

The Association shall have a seal, if any, in circular form having within its circumference the words "Iron Horse Single Family HOMEOWNERS ASSOCIATION, INC."

ARTICLE XIII. AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the members present at a regular or special meeting of members at which a quorum of members is present in person or proxy; provided that, at all times, the Bylaws meet the requirements of section 38-33.3-306(1), C.R.S., or the Declaration.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIV.
INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Pursuant to sections 7-123-102(1)[®]) and 7-129-101, et seq., C.R.S., the corporation shall indemnify its officers, Board members, employees and agents who are threatened to be made, or are made, a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative arising out of such person serving at the request of the corporation as Board member, officer, employee or agent to the fullest extent and subject to the qualifications and requirements of article 129 of title 7, C.R.S., including the advance of expenses.

Section 2. Any indemnification permitted hereunder, including the advance of expenses, shall be made upon the determination that such Board member, officer, employee or agent has met the applicable standard of conduct set forth in section 7-129-102, C.R.S. Such determination shall be made, including the advance of expenses, in accordance with section 7-129-106, C.R.S.

Section 3. The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or who is or was serving at the request of the corporation as a Board member, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity arising out of the status of such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE XV.
MISCELLANEOUS

Section 1. Contracts. The Board may authorize any officer or agent of the nonprofit corporation to enter into any contract or execute and deliver any instrument in the name of the nonprofit corporation, except as otherwise specifically required by the Articles of Incorporation, Declaration or by these Bylaws.

Section 2. Conveyances and Encumbrances. Corporate property may be conveyed or encumbered by authority of the Board or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the president or vice president and by the secretary or an assistant

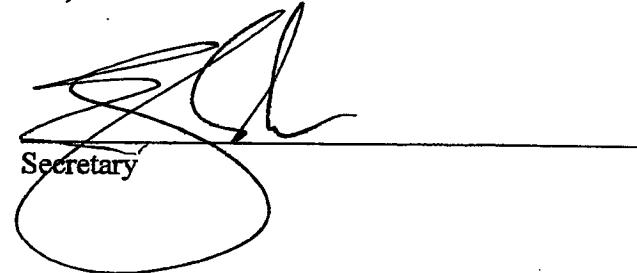
secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

Section 3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the president or a vice president or the treasurer, or shall be signed by such other officer of the nonprofit corporation as shall be duly authorized by resolution of the Board.

Section 4. Fiscal Year. The fiscal year of the nonprofit corporation shall be the calendar year.

CERTIFICATE

I certify that the foregoing Bylaws of Iron Horse Single Family Homeowners Association, Inc. are the Bylaws that were adopted by a Unanimous Consent in Lieu of Organizational Meeting of Board of Directors effective June 6, 2006.

A handwritten signature in black ink, appearing to read "S. J. [Signature]", is written over a horizontal line. Below the line, the word "Secretary" is printed in a small, sans-serif font, enclosed within a large, irregular oval shape.