

AMENDED BYLAWS
OF
FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B
HOMEOWNERS ASSOCIATION, INC.

The name of the Corporation shall be FOUNTAIN VALLEY RANCH FILING
NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC.

ARTICLE I
OBJECT
(Plan of Ownership)

1. FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC. shall be a non-profit corporation.
2. The purpose for which this non-profit Association is formed is to govern the property, which has been or will be submitted to the provision of the Declaration of Covenants, Conditions and Restrictions of Fountain Valley Ranch. Terms of which are defined in that certain Declaration of Covenants, Conditions and Restrictions of Fountain Valley Ranch recorded in Book 6573 beginning at Page 757, in the County of El Paso, Colorado, as amended, (The "Declaration"), shall have the same meanings herein unless otherwise defined.
3. All present or future owners, tenants, future tenants or any other person that might use in any manner the facilities of the Project or the prorate therein described are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the Lots thereafter referred to as "Lots" and defined to include all appurtenances and improvements now or hereafter thereon) or the mere act of occupancy of any said Lots will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE- 11

MEMBERSHIP, VOTING, MAJORITY OF OWNERS AND PROXIES

1. Membership. Except as is otherwise provided in these Bylaws, ownership of a Lot is required in order to qualify for membership in the Association. Any person on becoming an Owner of a Lot shall automatically become a member or co-member of this Association and be subject to these Bylaws. The Owner or Owners of a Lot shall hold and share the membership related to that Lot in the same proportionate interest and by the same type of tenancy in which the title to the Lot is held provided always that there shall

be only one membership per Lot. Such Membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not 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, or impair any rights or remedies which the Lot Owners have, either through the Board of Directors of the Association or directly, against such former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting. Each membership shall have the vote(s) appurtenant thereto as described in the Articles of Incorporation. When more than one person holds the membership, they shall appoint one of their co-members as proxy to cast the vote for that membership. Such vote shall be cast as the Owners thereof agree, but in no event shall more than one vote per question be cast with respect to any one membership. If the co-members cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained.
3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of members holding one-third (1/3) of the votes entitled to be cast shall constitute a quorum. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation of the Association, or these Bylaws, all matters coming before a meeting of members at which a proper quorum is in attendance, in person and/or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

ARTICLE III

ADMINISTRIZATION

1. Association Responsibilities. The Owners of the Lot will constitute the members of FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC. thereafter referred to as "Association", which will have the responsibility of administering the project through a Board of Directors thereafter referred to as the "Board").
2. Place of Meeting. Meetings of the Association shall be held at such place within the State of Colorado as the Board may determine.
3. Annual Meeting. The first annual meeting of the Association members shall be held within one (1) year after the Association's fiscal year end. Thereafter, the annual meeting shall be held on the same day during each calendar year or if such be a Saturday, Sunday or legal holiday, the next succeeding business day. At such meetings, there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section 5 of Article IV of these Bylaws. The members may also transact such other

business of the Association as may properly come before them. "Declarant" as used in these Bylaws refers to the Declarant named in the Declaration for, NEW GENERATION HOMES, INC., its successors and assigns.

4. Special Meetings. The President may call a special meeting of the members upon his own initiative or as directed by resolution of the Board or upon receipt of a petition signed by at least one-third (1/3) of the members. The notice of any special meetings shall state the time and place of such meetings and the purpose thereof. No business except as stated in the notice shall be transacted at the special meeting unless by consent of a majority of the members present, either in person or by proxy. Any such meetings shall be held at such place and time as the President determines within thirty (30) days after receipt by the President of such resolution or petition.
5. Notice of Meetings. The Secretary shall cause to be mailed or delivered a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each member of record, at the registered address of each member, at least fifteen (15) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this section or the delivery of such notice shall be considered notice served, and the certificate of the Secretary that notice was duly given shall be prima facie evidence thereof.
6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by Proxy, may adjourn the meeting, to a time not less than forty-eight (48) hours from the time the original meeting was called.
7. Order of Business. The order of business at all meetings of the members shall be as follows:
 - (a) Roll call and certifying proxies
 - (b) Proof of notice of meeting or waiver of notice
 - (c) Reading of Minutes of preceding meetings
 - (d) Reports of Officers
 - (e) Reports of Committees
 - (f) Election of Directors
 - (g) Unfinished business
 - (h) New business
 - (i) Adjournment
8. 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 of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his lot.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. There shall be elected any three (3) members of the Association to the Board who shall govern the affairs of this Association until their successors have been duly elected and qualified. Directors shall be Owners (as defined in the Declaration) which, in the case of Declarant or other, corporate owners, shall include the officers, directors, agents or employees of Declarant and the officers and directors of other corporate owners.
2. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the Common Area according to the highest standards achievable, relative to other Common Areas. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the Lot.
 - (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Bylaws of the Association and supplements and amendments thereto.
 - (b) To establish, make and enforce compliance with such rules and regulations as may be necessary for the operations, rental, use and occupancy of all of the Lots with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member upon the adoption thereof.
 - (c) To incur such costs and expenses as may be necessary to keep in good order, condition and repair all of the general and limited common areas and all items of common personal property.
 - (d) To insure and keep insured all insurable improvements located upon the common area, together with all fixtures and appliances attached thereto and except for the value of the land, foundation, excavation and other items normally excluded, for the benefit of the Owners of the Lots and their first Mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises.
 - (e) To prepare a budget for the Association at least sixty (60) days prior to the commencement of each fiscal year, in order to determine the amount of the common expense assessments payable by the owners to meet the common expenses of the Project, and allocate and assess such common expenses among the Owners as set forth in the Declaration and by vote of Owners in the matter set forth in Article IV, Section 6 of the Declaration, to adjust, decrease or increase the amount of the monthly common expense assessments and to levy and collect special assessments.

- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided in the Declaration and these Bylaws. The Board shall have the duty, rights, power and authority to suspend the voting rights of any owner in the event that any assessment made remains unpaid more than thirty (30) days from the due date for payment thereof. Such rights may also be suspended after notice and a hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations of the Association.
- (g) To protect and defend the name of the Association any part or the entire Project from loss and damage by suit or otherwise.
- (h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, to execute all such instruments evidencing such indebtedness as the Board may deem necessary and, upon the vote of two-thirds (2/3) of the votes attributable to Lots conveyed by Declarant, give security therefore. Such indebtedness shall be the several obligations of all of the members in the same proportion as their interest in the common areas. The persons who shall be authorized to execute promissory notes and security instruments shall be the President or Vice President and Secretary or Assistant Secretary.
- (i) To enter into contracts to carry out their duties and powers and to hire and fire all personnel necessary for the operation, maintenance, repair and replacement of the common area.
- (j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable.
- (k) To make repairs, additions, alterations and improvements to the common area.
- (l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the members and first Mortgagees of Lots, and to cause a certified or public accountant to prepare a compilation or review financial statement of the books and records of the Association at the end of each fiscal year. At the option of the Board, an annual review or audited financial statement may be required.
- (m) To prepare and deliver annually to each member the reports prepared under subsection (l) above.
- (n) To meet at least monthly
- (o) To control and manage the use of the common property of the Association.

- (p) To supervise all officers, agents and employees of this Association, and to see that their duties are property performed.
 - (q) As more fully Provided in e Declaration, to:
 - (1) Fix the amount of the annual common expense assessment against each Lot at least thirty (30) days in advance of each assessment period;
 - (2) Send written notice of each annual common expense assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and
 - (3) Foreclose the lien against any Lot for which assessments are not paid within ninety (90) days after the due date or bring an action at law against the Owner personally obligated to pay the same;
 - (r) Subject to the provisions of Article IV, Section 9 of the Declaration: to issue or to cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board of Directors for the issuance of these certificates; if a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment to that person who relies thereon to his detriment;
 - (s) To cause all Officers and employees having fiscal responsibilities to be bonded, as it may deem appropriate;
 - (t) Employ the services of a manager or managing agent, or both, and such independent contractors or other employees as they deem necessary, and delegate any of their duties to such persons; provided, however, when so delegated, the Board of Directors shall not be relieved of its responsibilities under the Declaration, the Articles of Incorporation or these Bylaws; and
 - (u) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to early out the governing and the operation of the Common Area.
3. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Articles of Incorporation, these Bylaws or the Rules and Regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the managing agent shall have the right to enforce the same thereafter.

4. Election, Term of Office and Compensation. At the first meeting of the Association, the term of office of one (1) Director shall be fixed for three (3) years; the term of office of one (1) Director shall be fixed for two (2) years; and the term of office of one (1) Director shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. Except as is otherwise provided by these Bylaws, the Directors shall hold office until their successors have been elected and hold their first meeting. No Director shall be entitled to receive any compensation for the performance of his duties, but shall be entitled to reimbursement for expenses incurred by him. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The nominating Committee shall consist of a. Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors if there are vacancies; the election of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.
5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until his successor is elected. An election to fill such vacancy shall be held at the next meeting and the Person elected shall serve for the remainder of his predecessor's term of office.
6. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting prior to voting thereon.
7. Organization Meeting. The first meeting of a newly-elected Board shall be held within ten (10) days following each annual meeting of the members at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly-elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.
8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a Majority of the Directors, but at

least one (1) such meeting shall be held during each calendar month. Notice of regular meetings of the Board shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

9. Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given Personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in the manner and on like notice on the written request of two (2) or more Directors.
10. Waiver of Notice. Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
11. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present in a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
12. Fidelity Bonds. The Board shall require that any officer and or employee of the Association and any managing agent who handles or is responsible for Association funds other than employees of NEW GENERATION HOMES, INC. furnish adequate fidelity bonds. The premiums of such bonds, in regard to the Association's officers and employees only, shall be a common expense.

ARTICLE V

OFFICERS

1. Designation. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by the Board, and such assistant officers as the Board shall, from time to time, elect. With the exception of the President, such Officers need not be members of the Board of Directors, but each shall be an Owner or an officer or director of a corporate Owner of a Lot in this Project, or the Declarant or its representative(s), if an Owner or member.
2. Election of Officers. The Officers of the Association shall be

elected annually by the Board at the Organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Resignation, Removal, Vacancies and Multiple Offices. Any Officer may be removed from office with or without cause upon an affirmative vote of the Board of Directors. Any Officer may resign at any time after 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. A vacancy in any office may be filled by appointment by the Board at any regular meeting or special meeting called for that purpose. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces. 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.
4. President. The President shall be chief executive officer of any Association. He shall preside in meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners as from time to time he may at his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
5. Vice President. The Vice President shall have all the Powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such Powers and functions or perform such duties, and shall exercise and discharge such other duties as may be required of him by the Board.
6. Secretary. The Secretary shall keep all the minutes of the meetings of the Board and the minutes of all meetings of the Association; shall leave charge of such books and papers as the Board may direct; and shall, in general, perform all the duties incident to the office of Secretary.
7. The Secretary shall compile and keep up to date at the principal office of the Association, a complete list of members and their registered addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the lot. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours. In addition, a list of all mortgagees of Lots shall be maintained. The records referred to in this subsection may be maintained by the Managing Agent.
8. Treasurer. The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping books belonging to the Association; provided,

however, that when a Managing Agent has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Managing Agent not less often than semiannually.

ARTICE VI

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Indemnification. To the extent that indemnification is afforded through Officers' and Directors' personal liability insurance carried by the Association and only to the extent of the amount actually afforded through such insurance, the Association shall indemnify every Director and Officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made parties by reason of their being or having been a Director or Officer of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement (which must be approved by the attorney for the insurers and paid out of insurance funds), indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VI shall be deemed to obligate the Association to indemnify any Officer or Director beyond the extent of said insurance coverage.
2. Other. Contracts or other commitments inside by the Board of Directors, Officer(s) or the Managing Agent shall be made is agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

ARTIDE VII

AMENDMENTS

1. These Bylaws any be amended by the members at a duly constituted meeting of the members for such purposes; provided however, that no amendment shall conflict with or minimize the intended effect of the provisions of the Articles of Incorporation or the Declaration. Any amendment shall require the affirmative approval

of not less than two-thirds (2/3) of the members in all cases and the prior written approval of the first mortgagees of the Lots if the proposed amendment affects any rights granted to a mortgagee pursuant to the Declaration, Articles of Incorporation of the Association or these Bylaws; further, the Veterans Administration or Federal Housing Administration of the U. S. Department of Housing and Urban Development shall have the right to veto any alteration, amendment, repeal or new Bylaws until such time as Declarant has conveyed seventy-five (75%) of the Lots to the first Owner thereof (other than Declarant.)

ARTIDE VIII

MORTGAGES

2. Notice to Association. A member who mortgages his Lot shall notify the Association through the Managing Agent, if any or the Association's Secretary, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Lots".
3. Notice of Unpaid Common Expenses. This Association, whenever so requested in writing by a mortgagee of a Lot, shall promptly report any then unpaid common expenses due from the Owner of its mortgaged Lot, or any other default by, the Owners of a mortgaged Lot, which delinquency in payment or other default is not cured within thirty (30) days from the date of the occurrence.
4. Notice of Default. When giving notice to a member of a default in paying common expenses or other default, the Board shall send a copy of such notice to each holder of a mortgage covering such Lot if the Association has actual knowledge of said mortgage.
5. Notice of Amendment or Change in Board of Directors or Managing Agent. The Association shall, at least thirty (30) days Prior to the effective date of any amendment to the Association's Articles of Incorporation or these Bylaws, notify in writing the holders of all recorded mortgages or deeds of trust of any such amendment.
6. Examination of Books. Upon payment of a reasonable fee not to exceed Twenty Five Dollars (\$25.00), and upon ten (10) days' written notice to the Board or the Managing Agent of the Association, any Owner shall be entitled to obtain a certificate of status of assessments setting forth the amount of any unpaid assessments or other charges due and owing front such Owner. Current copies of the Declaration, Articles of Incorporation and Bylaws of the Association, rules and regulations governing the Association, and other books, records and financial statements of the Association, shall be made available to Owners, first mortgagees of Lots and insurers or guarantors of any such first mortgage. Current copies of the Declaration, Articles of Incorporation, Bylaws, rules and regulations, and the latest financial statement of the Association shall be made available

for examination by prospective Purchasers of Lots. The word "available", as used herein, shall at least mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTIDE IX

EVIDENCE OF OWNERSHIP REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership. Except for those members who initially purchase a Lot from Declarant, any person on becoming an Owner of a lot shall furnish to the Managing Agent or Board 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. In case of a contract for purchase and sale pursuant to a executory land sales contract wherein the Administrator of Veterans Affairs (Veterans Administration) is seller, whether such contract is owned by the Veterans Administration or its assigns, and whether such contract is recorded or not, the interest of the contract of the executory land sales contract and any assignment(s) thereof certified by the Veterans Administration or, if recorded, by certified copies from public records.
2. Registration of Mailing Address. The Owner or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of at member or members shall be furnished by such member(s) to the Managing Agent or Board within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest of (all of) the Owners thereof.
3. Designation of Voting Representative – Proxy. If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one person or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however that within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section 3.

The requirements herein contained in this Article IX shall be first met before an Owner of a Lot, shall be deemed in good standing and entitled to vote at ally annual or special meeting of members.

ARTICLE X

OBLIGATIONS OF THE OWNERS

1. Notice of Lien or Suit. A member shall give notice to the Association of every lien or encumbrance upon his Lot other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his Lot, and such notice shall be given in writing within ten (10) days after the owner has knowledge thereof.
2. Mechanic's Lien. Each member agrees to indemnify and to hold each of the other members harmless from any and all claims of mechanic's liens filed against other units and the common area for labor, materials, services or other products incorporated in the member's lot. In the event such a lien is filed and/or a suit for foreclosure of a mechanic's lien is commenced, then within ten (10) days thereafter, such member shall be required to deposit with the Association cash or negotiable securities equal to one-half (1/2) of the amount of such claim. A portion of said sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim of litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgement or settlement. Any deficiency, including attorneys' fees incurred by the Association, shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be debt of the Owner and a lien against his Lot which may be foreclosed as is provided in Article IV, Section 10 of the Declaration. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such member(s), and the Association shall be forthwith reimbursed to it by such member(s), and the member shall be liable to the Association for the payment of interest at the rate of eighteen percent (18%) per annum on all such sums paid or incurred by the Association.
3. Maintenance and Repair. A member shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any part of the common area damaged by his negligence or by the negligence of his tenants or agents or guests or those limited common areas which an Owner, pursuant to the Declaration, is obligated to maintain.

4. General.

- (a) Each member shall comply strictly with the provisions of the recorded Declaration, the Articles of Incorporation and these Bylaws and amendments thereto.
- (b) Each member shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this project was created.

5. Use of Common Area. Each Owner may use the general common areas, located within the entire Project in accordance with the purpose for which they were intended without hindering or encroaching, upon the lawful rights of the other Owners, and subject to the rules and regulations contained in these Bylaws and established by the Board as is provided in Section 9 of this Article.

6. Rules and Regulations.

- (a) The initial rules and regulations shall be effective until amended or supplemented by the Board.
- (b) The Board reserves the right to establish, make and enforce compliance with such additional rules and regulations as may be necessary for the operation, use and occupancy of this Project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each owner prior to the date when the same shall become effective.

ARTIDE XI

ASSOCIATION NOT FOR PROFIT

1. Association Not for Profit. This Association is not organized for profit. No member, member of the Board, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to or distributed to, or inure to the benefit of any member of the Board, Officer or member; provided, however, always that any member, Director or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the Administration of the affairs of the Association. The provisions herein are not applicable to the Managing Agent who shall perform its manager's duties and function according to a written agreement for the compensation stated therein.

ARTICLE XII

DOCUMENT CONFLICT

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. In the case of any conflict between the Declaration and these Bylaws or between the Declaration and the Articles of Incorporation, the Declaration shall control.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing here upon the Owner's Lot. Any assessments which are not paid where due shall be delinquent. Delinquent assessments shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Association may assess a monthly late charge thereon, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot; and interest, late charges, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his Lot.

ARTICLE XIV

CORPORATE SEAL

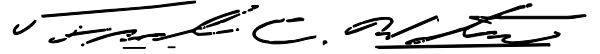
The Association shall have a seal in circular form having within its circumference the words: "FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC".

ARTICLE XV

MISCELLANEOUS

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all members of the Board of Directors of FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC. have hereunto set our hands this 6th day of March 1997.



CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the FOUNTAIN VALLEY RANCH FILING NO. 6 & 3B HOMEOWNERS ASSOCIATION, INC., a Colorado Corporation, and,

THAT the foregoing Amended Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 6th day of March, 1997.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the said Association this 6th day of March, 1997.



Secretary

SEAL