

BYLAWS
OF
TOWNHOMES AT LIBRARY PARK OWNERS ASSOCIATION

I.
GENERAL

1.1 Name. The name of the corporation is TOWNHOMES AT LIBRARY PARK OWNERS ASSOCIATION, a Colorado nonprofit corporation (hereinafter referred to as the corporation).

1.2 Principal Offices and Registered Agent. The principal place of business and principal office of the corporation shall be located in Fort Collins, Colorado at such place as the Board shall from time to time determine, and the corporation may have such other offices within the state of Colorado as the Board of Directors may designate or as the business of the corporation may require from time to time. The registered office as required by the Colorado Revised Nonprofit Corporation Act to be maintained in the state of Colorado may be, but need not be, identical with the principal office, and the address of the registered office and the identity of the registered agent may be changed from time to time by appropriate action of the Board of Directors, with proper notice of such change to be given in all cases to the Secretary of State of the state of Colorado.

1.3 Seal. There shall be no corporate seal.

1.4 Members. The corporation shall have members as provided by the Articles of Incorporation.

1.5 Defined Terms. Capitalized terms used in these Bylaws without definitions shall have the meanings given in that certain Declaration of Covenants, Conditions, Restrictions and Easements for Townhomes at Library Park Owners Association dated on or about the date of these Bylaws and to be recorded in the real property records of Larimer County, Colorado (the "Declaration").

II.
THE BOARD OF DIRECTORS

2.1 Number, Qualification, Election, and Terms of Office of Directors. The property and business of the corporation shall be managed by its Board of Directors consisting of three (3) directors, who shall be over 18 years of age, but who need not be members of the corporation. The number of directors may be increased or decreased from time to time by amendment to these Bylaws and the Articles. The members shall elect the Board of Directors except that during the Association Control Period Declarant shall be entitled to elect the Board of Directors. "Association Control Period" means the time period from the initial recording of the Declaration in the real property records of Larimer County to the earliest to occur of the following: (a) the date which is (60) days after seventy-five percent (75%) of the Units located on the Property are conveyed to Owners other than Declarant; (b) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business; or (c) the date on which Declarant, in its sole discretion, voluntarily

terminates the Association Control Period pursuant to a statement of termination executed and recorded in the real property records of Larimer County by Declarant. If Declarant terminates the Association Control Period pursuant to the preceding sentence, Declarant may require that, for the balance of what would have been the Association Control Period had Declarant not terminated it, certain actions of the Association or the Board of Directors, as described in the recorded statement of termination, be approved by Declarant before they become effective. Notwithstanding anything contained in this Section 2.1 above, within sixty (60) days after the conveyance of twenty-five percent (25%) of the Units to Owners other than Declarant, at least one member of the Board of Directors and not less than twenty five percent (25%) of the members of the Board of Directors shall be elected by Owners other than Declarant. Within sixty (60) days after the conveyance of fifty percent (50%) of the Units to Owners other than Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors shall be elected by Owners other than Declarant. At any time the members are entitled to elect a director, the Association shall call a meeting and give not less than ten (10) nor more than fifty (50) days' notice to the members for this purpose. Directors shall serve a term of one year unless otherwise provided by the Board of Directors. Any director may be removed by a majority vote of the members of the corporation when in their judgment the best interests of the corporation will be served thereby. Subject to the terms of the Declaration, voting by proxy shall be permitted; provided, however, that the proxy is granted in writing to another director who attends the meeting, and the proxy is limited to a vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy.

2.2 Meeting of Directors. Meetings of the Board of Directors shall be held regularly, but not less than one time a year and may be held upon the call of the President, or two members of the Board of Directors, at any place within or without the state of Colorado, providing that not less than five days notice of such meeting be given to each director. Notice shall be deemed waived by attendance at any meeting in person (unless attendance is for the purpose of objecting to the lack of notice) and similar notice may likewise be waived by absent directors, either in written instrument or by telegram. A director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the director may be heard by the other directors and may hear the deliberations of the other directors on any matter properly brought before the Board of Directors. The director's vote shall be counted and the presence noted as if that director were present in person on that particular matter.

2.3 Quorum. A quorum of any meeting of the Board of Directors shall consist of not fewer than a majority of the number of directors fixed by these Bylaws. Any action by such majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law.

2.4 Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by the affirmative vote of a majority of the directors then in office.

2.5 Powers of the Board. The Board of Directors shall have the power to elect the various officers whose duties are hereinafter set forth. In addition, they shall also have the power to appoint an auditor, attorney, and such other officers or assistant officers as they may need, including but not limited to an Assistant Secretary and an Assistant Treasurer, who may or may not be members of the Board of Directors, to serve at the sole discretion of the Board. The business and affairs of the corporation shall be managed by its Board of Directors, and all notes, deeds and leases shall be signed by the President and attested by the Secretary or such Assistant Secretary as may be appointed by the Board, at the Board's discretion. The powers enumerated herein shall not be construed to limit other powers given the Board of Directors by any section of these Bylaws, the Articles of Incorporation or the laws of the state of Colorado.

2.6 Committees. The Board of Directors by resolution adopted by a majority of the directors in office may designate and appoint one or more committees each of which shall consist of two or more directors. Each committee shall have and may exercise the authority of the Board of Directors as may be set forth in said resolution, except that no committee shall have the authority of the Board of Directors in reference to the powers described in C.R.S. Section 7-24-105.

2.7 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors, and may be stated as such in the articles or documents filed with the Secretary of State of Colorado.

III.

THE OFFICERS OF THE CORPORATION

3.1 Officers. The officers of the corporation shall consist of a President, a Vice Presidents, a Secretary and a Treasurer. The salaries of all the officers of the corporation, if any, shall be fixed by the Board of Directors. One person may hold any two or more offices, except that no person may simultaneously hold the offices of President and Secretary. The Board of Directors by resolution may create and define the duties of other offices in the corporation, and may elect or appoint persons to fill these offices. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws, Articles of Incorporation, or by the Board of Directors, such officer, agent or employee shall follow the orders and instructions of the President.

3.2 Election and Term of Office. The officers of the corporation shall be elected by the Board of Directors annually at the first meeting of the Board held in that year. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. All officers shall serve for a term of one year, and each officer shall hold office until the first of the following occurs: until his successor is duly elected and qualified; or until his death; or until he shall resign; or until he has been removed in the manner hereinafter provided. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

3.3 Removal. Any officer or agent may be removed by the Board of Directors by a majority vote when in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

3.4 Vacancies. A vacancy of any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

3.5 The President. The President shall be the chief executive officer of the corporation, and shall have general and active control of its affairs and business and supervision of its officers, agents and employees and perform such other duties as the Board of Directors may prescribe. The President shall execute contracts and other agreements and reports when duly attested by the Secretary or the Assistant Secretary, if any. He or she shall preside at all meetings of the Board of Directors, discharge all the duties which devolve upon a presidential officer, and perform such other duties as these Bylaws provide or the Board of Directors may prescribe.

3.6 The Vice President. The Vice President shall perform all duties incumbent upon the President during the absence or disability of the President, and perform such other duties as these Bylaws may require or the Board of Directors may prescribe. The office of Vice President may be vacant.

3.7 The Secretary. The Secretary shall attend all sessions of the Board, and record all votes and the minutes of the proceedings in a book to be kept for that purpose; and shall perform like duties for the standing committees, if any, when required. The Secretary shall prepare, execute, certify, and record amendments to the declaration on behalf of the corporation. The Secretary shall give or cause to be given notice of all meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors. The Secretary shall keep in safe custody the corporate records. 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 him or her by the President or by the Board of Directors. An Assistant Secretary or Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

3.8 The Treasurer. The Treasurer shall be the principal financial officer of the corporation and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depository or depositories as may be designated by the Board of Directors, in accordance with the instructions of the Board of Directors. He shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation. He shall receive and give receipts and acquittances for monies paid in on account of the corporation, and shall pay out of the funds on hand all bills, payrolls, and other just debts of the corporation upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Board of Directors, shall make such reports to it as may be required at any time. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board of Directors or the President. An Assistant Treasurer or Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

3.9 Delegation of Authority. 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 the powers or duties of such officer to any other officer or to any director, for the time being, provided a majority of the entire Board of Directors concurs therein. The Board of Directors may further delegate any of its powers to a managing agent if it deems such delegation to be reasonably appropriate and necessary.

IV. CORPORATE BOOKS

4.1 Book and Records. The corporation shall keep correct and complete books and records of account; shall keep minutes of the proceedings of its Board of Directors and committees having any of the authority of the Board of Directors, if any.

V. AMENDMENTS

5.1 The Article of Incorporation or Bylaws may be enlarged, amended, repealed, or altered in whole or in part by a 60% vote of the members or a 60% vote of the Board of Directors present at a meeting of the Board of Directors where such action has been announced in the notice of such meeting. Notwithstanding anything in these Bylaws to the contrary, neither this Article V, the total number of members of the Board of Directors, the manner in which members of the Board of Directors are elected and removed or the manner in which votes are allocated among the members shall be amended except pursuant to the vote of: (i) at least 60% of the total votes cast at a meeting duly called for such purpose, which approval shall be by the affirmative vote of the requisite threshold of Owners and not by proxy and (ii) during the Association Control Period, Declarant

VI. INDEMNIFICATION OF OFFICERS AND DIRECTORS

6.1 Actions Other Than By or in the Right of the Association.

The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Board of Directors or officer of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Without limiting the generality of the foregoing, each member of the Board of Directors and officer of the Association shall be entitled to the foregoing indemnification if such

member of the Board of Directors or officer of the Association, in good faith, reasonably believes that it is not in the best interests of the Association to undertake testing or investigations for design or construction defects at the Property at a particular time or to retain attorneys, consultants or other contractors for such purpose. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

6.2 Actions By or in the Right of the Association.

The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Board of Directors or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

6.3 Successful on the Merits.

To the extent that a member of the Board or any manager, officer, project manager, employee, fiduciary or agent of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 6.1 or 6.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred him or her in connection therewith.

6.4 Payment in Advance of Final Disposition.

The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Board of Directors or officer who is a party to a proceeding in advance of final disposition of the proceeding if: (1) the member of the Board of Directors or officer furnishes to the Association a written affirmation of the Board of Directors member's good faith belief that he or she has met the standard of conduct described in Sections 6.1 and 6.2; and (2) the Board of Directors member or officer furnishes to the Association a written understanding,

executed personally or on the Board of Directors member's or officer's behalf to repay the advance if it is ultimately determined that the Board of Directors member or officer did not meet the standard of conduct. The undertaking required in this Section 6.4 shall be an unlimited general obligation of the Board of Directors but need not be accepted by the Board of Directors member or officer or may be accepted without reference to financial ability to make repayment.

6.5 No Limitation of Rights.

The indemnification provided by this Article VI shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Board, or otherwise, nor by any rights which are granted pursuant to the Colorado Revised Nonprofit Corporation Act. Upon a vote of the Board of Directors, the Association may also indemnify a member appointed by the Board of Directors to serve on a committee (when such committee member is not also a member of the Board) upon such terms and conditions as the Board of Directors shall deem just and reasonable.

6.6 Directors and Officers Insurance.

The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors or an officer of the Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article VI.

VII.

MEETINGS OF THE MEMBERS

7.1 Annual Meeting. The initial meeting of the members shall be held within one hundred eighty (180) days of the Declaration's recording in the Office of the County Recorder. Annual meetings of members shall be held on a date established by the Board of Directors. At these meetings, the Board of Directors shall be elected by ballot of the members, in accordance with the provisions of Article II of these Bylaws. The members may transact other business as may properly come before them at these meetings.

7.2 Special Meetings. Special meetings of the members may be called by the president, by a majority of the members of the Board of Directors or by members comprising thirty percent (30%) of the votes in the Association.

7.3 Place of Meetings. Meetings of the members shall be held at the Association's principal office or may be adjourned to a suitable place convenient to the members, as may be designated by the Board of Directors or the president.

7.4 Notice of Meetings. The secretary or other officer specified by the Board of Directors shall cause notice of meetings of the members to be hand delivered or sent prepaid by U.S. Mail to the mailing address designated in writing by each member, not less than ten (10) nor more than fifty (50) days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice. In addition, notice of any meeting of the members shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given. The Association may additionally provide notices and agendas in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all annual and special meetings of members by electronic mail to all members who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least forty eight (48) hours before the meeting.

7.5 Waiver of Notice. Any member may, at any time, waive notice of any meeting of the members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

7.6 Voting. Except as provided in the Declaration or these Bylaws, the vote allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one (1) person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice to the Board of Directors of a specific designated person. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice to the Board of Directors of the designation of a specific person by the owning partnership. The vote of a limited liability company may be cast by any manager or the sole member of the owning limited liability company in the absence of express notice to the Board of Directors of the designation of a specific person by the owning limited liability company. The vote of a partnership may be cast by the general partner of the owning partnership in the absence of express notice to the Board of Directors of the designation of a specific person by the owning limited liability company. The moderator of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership, business trust or limited liability company owner is qualified to vote.

7.7 Quorum. Except as otherwise provided in these Bylaws or the Declaration, the presence of members representing at least one-half (1/2) of all votes in the Association shall be necessary for a quorum at a meeting of the members.

7.8 Majority Vote. Member votes are allocated as provided in the Declaration. The vote of members holding a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

7.9 Attendance. All meetings of the Association and Board of Directors are open to every member of the Association, or to any person designated by a member in writing as the

member's representative. At an appropriate time determined by the Board of Directors, but before the Board of Directors votes on an issue under discussion, members or their designated representatives shall be permitted to speak regarding that issue. The Board of Directors may place reasonable time restrictions on persons speaking during the meeting. If more than one (1) person desires to address an issue and there are opposing views, the Board of Directors shall provide for a reasonable number of persons to speak on each side of the issue.

7.10 Conduct of Meetings. This Article VII is and shall constitute the Association's responsible governance policy regarding the conduct of meetings of the members.

VIII.

MISCELLANEOUS

8.1 Fiscal Year. The fiscal year of the Association shall be a calendar year.

8.2 Articles of Incorporation. The Articles of Incorporation are hereby made a part of these Bylaws and all Bylaw provisions shall be construed in connection with said Articles of Incorporation, no Bylaws provision shall be adopted to conflict with or be in contravention of said Articles of Incorporation.

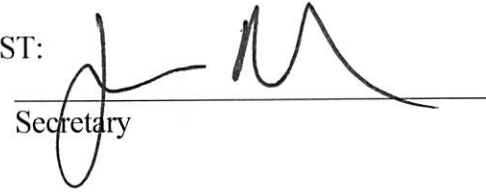
TOWNHOMES AT LIBRARY
PARK OWNERS ASSOCIATION

By:



President

ATTEST:



Secretary