

NONPROFIT

ARTICLES OF INCORPORATION
OF
SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC

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In compliance with the requirements of the Colorado Nonprofit Corporation Act, Section 7-20-101 through 7-29-106, C.R.S. 1973, as amended, the undersigned, of full age, has this day, for the purpose of forming a non-profit corporation, certified as follows:

ARTICLE I
NAME

The name of the corporation is SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC., hereafter called the "Association."

ARTICLE II
PRINCIPAL OFFICE

The principal office of the Association is c/o South Ridgway Partnership, 1700 Lincoln, Suite 1725, Denver, Colorado 80203.

ARTICLE III
REGISTERED AGENT

Greg Davine, whose address is c/o South Ridgway Partnership, 1700 Lincoln, Suite 1725, Denver, Colorado 80203, is hereby appointed the initial registered agent of this Association, and such address shall be the registered address of this Association.

ARTICLE IV
PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the Members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and architectural control of certain property and improvements within the property described on Exhibit A to the Declaration (as hereinafter defined), any additions thereto as may hereafter be brought within the jurisdiction of this Association, and any other property over which the Association may be given jurisdiction by virtue of one or more amendment(s) to a certain recorded Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches Filing No. 1, Ouray County, Colorado ("1 Declaration") and/or a certain recorded Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches Filing No. 2A, Ouray County, Colorado ("2A Declaration"), if such amendment(s) are hereafter recorded (hereinafter collectively called the "Common Interest Community"), and to promote the health, safety and welfare of the residents within the Common Interest Community, and for the following purposes to:



1. exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in that certain Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches, hereinafter called the "Declaration," applicable to the Common Interest Community, or any portion(s) thereof, and recorded or to be recorded in the Office of the Clerk and Recorder of Ouray County, Colorado, as the same may be amended and supplemented from time to time as therein provided, said Declaration being incorporated herein as if set forth at length (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined);

2. if the 1 Declaration and the 2A Declaration, or either of them, are amended as hereinabove provided such that the Association has jurisdiction over the property which is subject thereto, then the Association shall exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the 1 Declaration and/or the 2A Declaration, as amended, and, under such circumstances, the amended 1 Declaration and/or the amended 2A Declaration shall each be incorporated herein as if set forth at length (the Declaration and, if applicable, the amended 1 Declaration and/or the amended 2A Declaration are hereinafter collectively referred to as the "SR Declarations");

3. adopt and amend budgets for revenues, expenditures, and reserves, and fix, levy, collect and enforce payment of, by any lawful means, all charges and assessments pursuant to the terms of the SR Declarations; pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

4. acquire (by gift, purchase, or otherwise), own, hold, improve, encumber, maintain, convey, sell, lease, transfer or otherwise dispose of real or personal property, in its own name, in connection with the affairs of the Association; provided, however, that portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if Unit Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by a Declarant, agree to that action;

5. borrow money and mortgage, pledge, deed in trust, or hypothecate any or all of its personal property as security for money borrowed or debts incurred; provided, however, that portions of the Common Elements may be conveyed or subjected to a Security Interest by the Association only if Unit Owners entitled to cast at least eighty percent (80%) of the votes in the Association, including eighty percent (80%) of the votes allocated to Units not owned by a Declarant, agree to that action;

6. hire and terminate managing agents and other employees, agents, and independent contractors;

7. institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Unit Owners on matters affecting the Common Interest Community;

8. impose reasonable charges for the preparation and recordation of amendments to the SR Declarations or statements of unpaid assessments;

9. provide for the indemnification of its officers and Executive Board, and maintain directors' and officers' liability insurance;

10. participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes; provided that any merger or consolidation shall have the assent of the Unit Owners of Units to which at least two-thirds (2/3) of the votes in the Association are allocated;

11. manage, control, operate, maintain, repair and improve its property and other property as provided in the SR Declarations;

12. enforce covenants, restrictions, and conditions affecting any property to the extent this Association may be authorized to do so under the SR Declarations;

13. engage in activities which will actively foster, promote and advance the common interests of Unit Owners;

14. enter into, make, perform, or enforce contracts, licenses, leases and agreements of every kind and description, incur liabilities, and do all other acts necessary, appropriate or advisable in carrying out any purpose of this Association, with or in association with any Person, firm, association, corporation, or other entity or agency, public or private; provided, however, that the following contracts and leases, if such contracts and leases are entered into before the Executive Board elected by the Unit Owners takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:

(a) any management contract, employment contract, or lease of recreational or parking areas or facilities;

(b) any other contract or lease between the Association and a Declarant or an affiliate of a Declarant; or

(c) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing;

(However, this section 14 does not apply to any lease the termination of which would terminate the Common Interest Community or reduce its size, unless the real estate subject to that lease was included in the Common Interest Community for the purpose of avoiding the right of the Association to terminate a lease under this subsection or a proprietary lease.)

15. adopt, alter and amend or repeal Bylaws and rules and regulations, and promulgate and publish such rules as may be necessary or desirable for the proper management of the affairs of this Association; provided, however, that such Bylaws and rules and regulations shall not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the SR Declarations;

16. have and exercise any and all powers, rights and privileges which a corporation organized under the Colorado Non-profit Corporation Act by law may now or hereafter have or exercise;

17. regulate the use, maintenance, repair, replacement and modification of Common Elements;

18. cause additional improvements to be made as part of the Common Elements;

19. impose and receive any payments, fees or charges for the use, rental or operation of the Common Elements;

20. exercise any powers enumerated in the Bylaws of the Association and exercise any other powers necessary and proper for the governance and operation of the Association.

ARTICLE V MEMBERSHIP

Every Person who is a record owner of a fee or undivided fee interest in any Unit which is now or hereafter subject to assessment as provided in the Declaration, including contract sellers, shall be a Member of the Association. Following termination of the Common Interest Community, the membership shall consist of all former Unit Owners entitled to distribution of proceeds under the Act or their heirs, personal representatives, successors or assigns. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association.

A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains. The Association may suspend the voting rights of a Member for a period not to exceed sixty (60) days for any infraction of its published rules and regulations or the Association Bylaws, or for any period during which any assessment against such Unit Owner's Unit remains unpaid. All Members shall be entitled to vote on all matters except any Members who are in default in any obligations to the Association. Cumulative voting is prohibited.

ARTICLE VI
VOTING RIGHTS

1. The Association shall have one class of voting membership. Each Unit Owner shall be entitled to a percentage of votes in the Association, determined as follows: if the property that is within the Association does not include any of the property that is then subject to the 1 Declaration or the 2A Declaration, then the votes attributable to a Unit shall be equal to the Allocated Interest attributable to such Unit; if the property that is within the Association includes the property that is subject to the 1 Declaration and/or the property that is subject to the 2A Declaration, then the votes attributable to a Unit shall be equal to a fraction, the numerator of which is the numerator of the Allocated Interests attributable to that Unit and the denominator of which is the total number of Units then within the Association; except that no votes allocated to a Unit owned by the Association may be cast. The total number of votes which may be cast in connection with any matter shall be equal to the total number of votes then existing in the Association, as aforesaid. Except as otherwise provided in this Article, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and may remove all officers and directors of the Executive Board appointed by it. A Declarant may voluntarily surrender the right to appoint and remove officers and directors of the Executive Board before termination of the Period of Declarant Control; but, in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Executive Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective. No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that May Be Created to Unit Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that May Be Created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

2. Not later than the termination of any Period of Declarant Control, the Unit Owners shall elect an Executive Board of at least three members, at least a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant. The Executive Board shall elect the officers. The Executive Board members and officers so elected shall take office upon termination of the Period of Declarant Control.

ARTICLE VII
EXECUTIVE BOARD

The affairs of this Association shall be managed by an Executive Board of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any partner and any principal, director, officer, employee or authorized agent of Declarant or any partner of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member. If appointed by a Declarant, in the performance of their duties, the officers and members of the Executive Board are required to exercise the care required of fiduciaries of the Unit Owners. If not appointed by the Declarant, no member of the Executive Board and no officer shall be liable for actions taken or omissions made in the performance of such member's duties except for wanton and willful acts or omissions. The number of Directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the Persons who are to act in the capacity of Directors until the selection of their successors are:

<u>NAME</u>	<u>ADDRESS</u>
Greg Davine	1700 Lincoln, Suite 1725 Denver, Colorado 80203
Robert Savath	116 West Columbia Telluride, Colorado 81435
Jack Young	501 Chipita Street Ridgway, Colorado 81432

The successors to the initial and subsequent Executive Board shall be appointed or elected in the manner set forth in the Bylaws.

ARTICLE VIII
DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by the Unit Owners with not less than two-thirds (2/3) of the votes allocated to Units not then owned by Declarant, and by the Declarants with not less than two-thirds (2/3) of the votes allocated to Units then owned by the Declarant. Upon dissolution of the Association other than incident to a merger or

consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX
OFFICERS

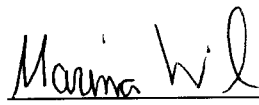
The Executive Board may appoint a President, one or more Vice-Presidents, a Secretary, a Treasurer and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the corporation. The officers shall have such duties as may be prescribed in the Bylaws and shall serve at the pleasure of the Executive Board.

ARTICLE X
DURATION

The Association shall exist perpetually.

ARTICLE XI
AMENDMENTS

Amendment of these Articles shall require the assent of Unit Owners holding a majority of a quorum of the votes of the Units voting in person or by proxy at an annual meeting of Members or at a special meeting called for this purpose; provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the SR Declarations.



Marina Wilson

Address of Incorporator:
7887 East Belleview, Suite 700
Englewood, Colorado 80111

**BYLAWS
OF
SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the corporation shall be c/o South Ridgway Partnership, 1700 Lincoln, Suite 1725, Denver, Colorado 80203, but meetings of members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Executive Board of the Association ("Executive Board" or "Board").

**ARTICLE II
PURPOSE**

The purpose for which the Association is formed is to govern the Units, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches, and any amendments and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of Ouray County, Colorado ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined); and those certain Articles of Incorporation of Solar Ranches Homeowners Association, Inc., and any amendments thereto, now or hereafter filed in the office of the Secretary of State of the State of Colorado, as amended ("Articles of Incorporation"); and, if applicable as provided in the Articles of Incorporation, the recorded Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches Filing No. 1, Ouray County, Colorado, as amended ("1 Declaration") and the Declaration of Protective Covenants, Conditions and Restrictions of Solar Ranches Filing No. 2A, Ouray County, Colorado, as amended ("2A Declaration") (the Declaration and, if applicable, the 1 Declaration and 2A Declaration, are hereinafter collectively referred to as the "SR Declarations"). All present and future Unit Owners, tenants, occupants, and any other Person who may use the Units, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the SR Declarations, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Unit, or any portion thereof, shall signify that all terms and provisions of the applicable SR Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with. Notwithstanding anything to the contrary that may be hereinabove contained, the term "Common Interest Community," as used in these

Bylaws, shall be defined as provided in the Articles of Incorporation.

ARTICLE III
MEETINGS OF MEMBERS

1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year as the month in which the first annual meeting was held, the specific date and time thereof to be designated by the Executive Board from time to time. At each annual meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

2. Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Executive Board or by Unit Owners having at least twenty percent (20%) of the votes of the Association.

3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary of the Association or Person authorized to call the meeting. Not less than ten (10) nor more than fifty (50) days in advance of such meeting, the Person giving such notice, as aforesaid, shall cause notice of the meeting to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Unit Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Executive Board.

4. Quorum

(a) A quorum is deemed present throughout any meeting of the Association if Persons entitled to cast twenty percent (20%) of the votes which may be cast for election of the Executive Board are present, in person or by proxy, at the beginning of the meeting.

(b) Unless otherwise specifically provided by the applicable SR Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

5. Proxies

(a) If only one of the multiple Unit Owners of a Unit is present at a meeting of the Association, such Unit Owner is entitled to cast all votes allocated to that Unit. If more than one of the multiple Unit Owners are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Unit Owners, unless the applicable SR Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Unit Owners casts the votes allocated to that Unit without protest being made promptly to the Person presiding over the meeting by any of the other Unit Owners of the Unit.

(b) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by a Unit Owner. If a Unit is owned by more than one Person, each Unit Owner of the Unit may vote or register protest to the casting of votes by the other Unit Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except 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 provides otherwise.

6. Security Interest Holders. Each Security Interest Holder shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV
EXECUTIVE BOARD - SELECTION - TERM OF OFFICE

1. Number. The affairs of this Association shall be managed by an Executive Board of three (3) directors. Directors shall be Members which, in the case of Declarant, may include any partner and any principal, officer, director, employee or authorized agent of Declarant or any partner of Declarant and, in the case of corporate Members, may include the officers and directors of each such corporate Member.

2. Term of Office

(a) No later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that May Be Created to Unit Owners other than a Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that May Be Created to Unit Owners other than a Declarant, not less than thirty-three and one-third percent (33-1/3%) of the members of the Executive Board must be elected by Unit Owners other than the Declarant.

(b) Except as otherwise provided in these Bylaws, during the Period of Declarant Control, the Declarant or Persons appointed by the Declarant may appoint all officers and directors and remove all officers and directors of the Executive Board appointed by it. Not later than termination of the Period of Declarant Control, the Unit Owners shall elect an Executive Board, at least a majority of whom must be Unit Owners other than the Declarant or designated representatives of Unit Owners other than the Declarant.

(c) Any director of the Executive Board who is elected by the Members prior to termination of the Period of Declarant Control shall serve for one (1) year or until such director's duly-elected successor takes office on the Executive Board, whichever occurs later. At the first annual meeting of the Association held subsequent to termination of the Period of Declarant Control, the Members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of three years.

3. Removal. The Unit Owners, by two-thirds (2/3) of the Associates votes cast at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Executive Board with or without cause, other than an Executive Board member appointed by the Declarant. Declarant may at any time remove, and appoint the successor of, any member of the Executive Board who was appointed by the Declarant. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining members of the Executive Board, whether or not such remaining members constitute a quorum, and shall serve for the unexpired term of the director being replaced; provided, however, that the Declarant may appoint the successor of any director who served in such capacity as a result of being appointed by the Declarant.

4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

5. Action Taken Without a Meeting. The directors 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 of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE III
NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Executive Board may be made by a Nominating Committee if such a Committee is appointed, from time to time, by the Executive Board. Nominations may also be made from the floor at any Member meeting.

2. Election. Election to the Executive Board 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 cast under the provisions of the Articles of Incorporation. The Persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE IV
MEETINGS OF EXECUTIVE BOARD

1. Regular Meetings. Regular meetings of the Executive Board shall be held not less often than quarterly, without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

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

3. Quorum; Actions of Executive Board. A quorum is deemed present throughout any meeting of the Executive Board if Persons entitled to cast fifty percent (50%) of the votes on the Executive Board are present at the beginning of the meeting. 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 Executive Board.

ARTICLE V
POWERS AND DUTIES OF THE EXECUTIVE BOARD

1. Powers. The Executive Board shall have power to:

(a) adopt and publish rules and regulations governing the use of the Units, the Common Elements, the Common Interest Community, or any portion thereof, and any facilities thereon and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and the right of a Member to use recreational facilities, if any, 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 published Association rules and regulations;

(c) enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description; provided, however, that the following contracts and leases, if such contracts and leases are entered into before the Executive Board elected by the Unit Owners takes office subsequent to termination of the Period of Declarant Control, may be terminated without penalty by the Association at any time after such date, upon not less than ninety (90) days' notice to the other party:

(1) any management contract, employment contract, or lease of recreational or parking areas or facilities;

(2) any other contract or lease between the Association and a Declarant or an affiliate of a Declarant; or

(3) any contract or lease that is not bona fide or was unconscionable to the Unit Owners at the time entered into under the circumstances then prevailing;

(However, this subsection (c) does not apply to any lease the termination of which would terminate the Common Interest Community or reduce its size, unless the real estate subject to that lease was included in the Common Interest Community for the purpose of avoiding the right of the Association to terminate a lease under this subsection or a proprietary lease.)

(d) provide for direct payment of assessments to the Association from Unit Owners' checking, credit or other accounts;

(e) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the applicable SR Declaration;

(f) declare the office of a member of the Executive Board to be vacant in the event such member shall be absent from two (2) regular meetings of the Executive Board during any one year period; and

(g) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

2. Duties. It shall be the duty of the Executive Board to:

(a) cause to be kept a complete record of all its acts and corporate affairs and 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 Unit Owners entitled to cast at least one-fourth (1/4) of the votes at such meeting;

(b) supervise all officers, agents, and employees of the Association, and see that their duties are properly performed;

(c) as more fully provided in the applicable SR Declaration, to: determine the amount of the annual assessment against each Unit, from time to time, in accordance with the Association budget, and revise the amount of the annual assessment if such budget is rejected by the Unit Owners;

(d) issue, or cause an appropriate officer or authorized agent 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 for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all Persons who rely thereon in good faith;

(e) provide for maintenance, repair and/or reconstruction of the Common Elements, walkways (as provided in the applicable SR Declaration), other parcels of real property, and improvements, as more fully provided in the SR Declarations; and

(f) keep financial records sufficiently detailed to enable the Association to comply with the requirement that it prove statements of unpaid assessments. All financial and other records shall be made reasonably available for examination by any Unit Owner and such Unit Owner's authorized agents.

Any of the aforesaid duties may be delegated by the Executive Board to any other Person(s) or to a managing agent.

3. Limitation on Powers. The Executive Board may not act on behalf of the Association to amend any of the SR Declarations, to terminate this Common Interest Community, or to elect members of the Executive Board or determine the qualifications, powers and duties, or terms of office of Executive Board members, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE VI
RIGHTS OF THE ASSOCIATION

The Association may exercise any and all rights or privileges given to it under the SR Declarations, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE VII
OFFICERS AND THEIR DUTIES

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

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

3. Term. The officers of this Association shall be elected annually by the Executive Board and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

4. Special Appointments. The Executive 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.

5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Executive Board. Any officer may resign at any time by giving written notice to the Executive 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.

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

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.

8. Duties. The duties of the officers, which are delegable to other persons or the managing agent, are as follows:

(a) President: The president shall preside at all meetings of the Executive Board and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association.

(b) Vice-President: The vice-president shall act in the place and stead of the president in the event of the president's absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president by the Executive Board.

(c) Secretary: The secretary or a designated agent shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the names of the Members together with their addresses; shall prepare, execute, certify and record amendments to the Declaration on behalf of the Association; and shall perform such other duties as required by the Board.

(d) Treasurer: The treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Executive Board; shall sign or authorize a designated agent to sign promissory notes and checks of the Association; shall keep proper books of account; shall cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Executive Board or as required by the applicable SR Declaration, an annual review or audited financial statement may be required; and shall prepare an annual budget to be presented to the membership, and deliver a copy of each to the Members.

(e) Any officer of the Association may prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE VIII
COMMITTEES

The Association shall appoint an Architectural Review Committee, subject to the provisions of the Declaration, and may appoint a Nominating Committee. In addition, the Executive Board may appoint other committees as it deems appropriate in carrying out its purposes.

ARTICLE IX
BOOKS AND RECORDS

The Association shall make available to Unit Owners current copies of the applicable SR Declaration, Articles of Incorporation, these Bylaws, the rules and regulations, books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTICLE X
CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC.

ARTICLE XI
AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the votes of a quorum of Members present in person or by proxy.

ARTICLE XII
CONFLICTS OF PROVISIONS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between any of the SR Declarations and these Bylaws, the applicable SR Declaration shall control; and in the case of any conflict between the Articles of Incorporation and any of the SR Declarations, the applicable SR Declaration shall control.

ARTICLE XIII
INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify every director, officer, agent and employee, and any former director, officer, agent and employee, against all loss, costs and expenses, including attorney's fees, reasonably incurred in connection with any action, suit, or proceeding to which such person may be made a party by

reason of being or having been such a director, officer, agent or employee of the Association, except for matters in which such person shall be finally adjudged to be liable for gross negligence or fraud. Any such indemnity shall be limited to and may only be paid out of the insurance proceeds provided by an insurer furnishing officers and directors errors and omissions insurance coverage and any other insurance protecting the Association from liability because of the negligent acts of its servants, including insurance covering motor vehicles or public liability, property damage, medical and other similar coverage, it being the intent and purpose of this provision to limit all payments or settlements in indemnification to the actual proceeds of insurance policies. No indemnification shall be provided for acts constituting gross negligence, nor for fraud, nor for more reprehensible conduct. In the event of a settlement, the settlement shall be approved by the insurance carrier and paid for by the insurance carrier out of the insurance proceeds. The foregoing rights shall not be exclusive of other rights to which such director, officer, agent or employee may be entitled.

ARTICLE XIV
FISCAL YEAR

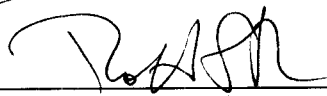
The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this 28th day of January, 1994.

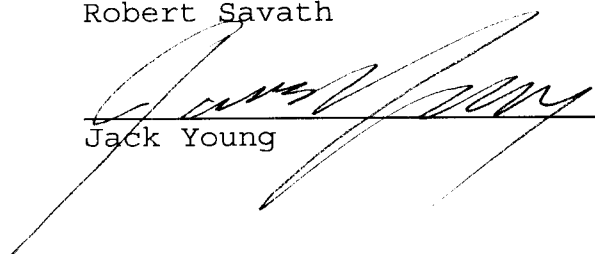
DIRECTORS:



Greg Davine



Robert Savath



Jack Young

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of SOLAR RANCHES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted at a meeting of the Executive Board thereof, held on the 28th day of January, 1994.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this 31st day of January, 1994.

(SEAL)

Greg Davine, Secretary

