

BYLAWS
OF
2038 CARIBOU CONDOMINIUM OWNERS ASSOCIATION

ARTICLE 1 - INTRODUCTION

These are the Bylaws of 2038 CARIBOU CONDOMINIUM OWNERS ASSOCIATION, (the "Association"), which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA") and the Colorado Common Interest Ownership Act, as amended (the "Act"). Terms used herein shall have the meaning set forth in the Subassociation Declaration for 2038 Caribou Condominium Owners Association at Timberline Office Park (the "Declaration") and in the Act.

ARTICLE 2 - EXECUTIVE BOARD

Section 2.1 Number and Qualification. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board. The initial Executive Board shall consist of three (3) members, whose names and addresses are as set forth in the Articles of Incorporation. Only Owners, eligible to vote and otherwise in good standing, may be elected or appointed to fill a vacancy on the Executive Board; provided, however, Declarant shall have the right to appoint members to the Executive Board as provided in the Declaration and the Act and to have members remain on the Executive Board until all Development Rights and Special Declarant Rights have expired. In the case where, through removal or resignation, the total number of Executive Board members is less than three (3), the Executive Board will be considered properly constituted until such vacancies are filled. The number of members of the Executive Board may be increased or decreased by amendment of these Bylaws; provided, however the number is always an odd number.

(a) Until the first annual meeting after the Period of Declarant Control, the terms of members of the Executive Board not appointed by the Declarant shall expire at the annual meeting which occurs not less than one year, nor more than two years, eleven months after election to the Executive Board.

(b) At the first annual meeting of the Association after the Period of Declarant Control, the terms of the initial members of the Executive Board elected by the Owners shall be staggered so that one member shall be elected to serve a one (1) year term, and the remainder shall be elected to serve two (2) year terms. At the expiration of the initial term of office for each respective member of the Executive Board, his successor shall be elected to serve a term of two (2) years.

(c) The Declaration shall govern appointment of members of the Executive Board during the Period of Declarant Control.

(d) At any time after Owners, other than the Declarant, are entitled to elect a member of the Executive Board, the Association may call a meeting and shall give not less than fourteen (14) nor more than fifty (50) days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so.

(e) Each Executive Board member shall hold office until the election and qualification of his successor. At any meeting at which the Executive Board is to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the CRNCA for conducting the elections.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

(a) Adopt and amend Bylaws.

(b) Adopt and amend Rules and Regulations.

(c) Adopt and amend budgets for revenues, expenditures and reserves.

(d) Collect assessments from Owners.

(e) Suspend the voting interests allocated to a Unit, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Documents. The suspension of voting rights allowed herein for a violation of the Association's Rules and Regulations shall not exceed sixty (60) days for any one occurrence.

(f) Hire and discharge managing agents.

(g) Hire and discharge independent contractors, employees and agents, other than managing agents.

(h) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violation of the Documents in the Association's name and on behalf of the Association on any matters affecting the Common Interest Community, save and except that such action shall require a majority vote of the Owners.

(i) Make contracts and incur liabilities.

(j) Regulate the use, maintenance, repair, replacement and modification of the Common Elements.

(k) Cause additional improvements to be made as a part of the Common Elements.

(l) Acquire, hold, encumber and convey in the Association's name, any right, title or interest to real estate or personal property, but the Common Elements may be conveyed or subjected to a Security Interest only pursuant to the Declaration and applicable law.

(m) Grant easements for any period of time, including permanent easements, leases, licenses and concessions through or over the Common Elements.

(n) Impose and receive a fee or charge for the use, rental or operations of the Common Elements and for services provided to Owners.

(o) Impose a reasonable charge for late payment of assessments and levy a fine for violation of the Declaration, these Bylaws and the Rules and Regulations of the Association.

(p) Impose a reasonable charge for the preparation and recordation of supplements or amendments to the Declaration and for statements of unpaid assessments.

(q) Provide for the indemnification of the Association's officers and the Executive Board and maintain Directors' and Officers' liability insurance.

(r) Declare the office of a member of the Executive Board to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Executive Board during any one year period.

(s) Assign the Association's right to future income, including the right to receive Common Expense Assessments, only upon the affirmative vote of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, at a meeting called for that purpose.

(t) Exercise any other powers conferred by the Documents.

(u) Exercise any other power that may be exercised in the State of Colorado by a legal entity of the same type as the Association.

(v) Exercise any other power necessary and proper for the governance and operation of the Association.

(w) By resolution, establish permanent and standing committees of Directors to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain and publish notice of their actions to Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Owner within forty-five (45) days of publication of a notice. If an appeal is made, the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

Section 2.3 Manager. The Executive Board may employ a professional manager for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board; provided, however:

(a) The Executive Board may delegate to the manager only the powers granted to the Executive Board by these Bylaws under Section 2.2, Subdivisions (d), (g), (h), (i), (j) and (k).

(b) Licenses, concessions and contracts may be executed by the manager pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget.

(c) The Executive Board shall comply with the provisions of CRS §38-33.3-306, specifically: (i) that the manager shall maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Executive Board may require; (ii) that the manager shall maintain all funds and accounts of the association separate from the funds and accounts of other associations managed by the managing agent and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and (iii) that an annual accounting for Association funds and a financial statement be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant.

(d) Any agreement for professional management of the Association's business shall have a maximum term of three (3) years and shall provide for termination by either party thereto, with or without cause, and without payment of a termination fee, upon fourteen (14) days' prior written notice. Any contracts, licenses or leases entered into by the

Association while there is Declarant control of the Association shall provide for termination by either party thereto, with or without cause and without payment of a termination fee, at any time after termination of Declarant control of the Association, upon sixty (60) days' prior written notice; provided, however, that any contract entered into at any time by the Association providing for services of the Declarant shall provide for termination at any time by either party thereto without cause and without payment of a termination fee upon sixty (60) days' prior written notice.

Section 2.4 Removal of Executive Board Member. The Owners, by a two-thirds vote of all persons present and entitled to vote, at any meeting of the Owners at which a quorum is present, may remove any member of the Executive Board, with or without cause, other than one appointed by the Declarant. Any member of the Executive Board appointed by the Declarant during the period of Declarant Control may only be removed by the Declarant. Vacancies created by removal according to this Section 2.4 shall be filled as follows:

(a) As to vacancies of Executive Board members whom Owners other than the Declarant elected, by a majority of the remaining Executive Board; provided, however, if the entire Executive Board is removed at once, an election shall be held immediately thereafter at the same meeting; and

(b) As to vacancies of Executive Board members whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall serve on the Executive Board for the remainder of the term of the member so replaced.

Section 2.5 Vacancies. Except in the case of removal of an Executive Board member pursuant to Section 2.4 above, vacancies may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the members of the Executive Board present at that meeting may constitute less than a quorum. These appointments shall be made, as to vacancies of Executive Board members, and each person so elected or appointed shall serve on the Executive Board for the remainder of the term of the member so replaced.

Section 2.6 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Owners shall be held within sixty (60) days after the annual meeting at a time and place to be set by the Executive Board at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Executive Board in order to legally constitute such meeting, provided a majority of the Executive Board members are present. The Executive Board may set a

schedule of additional regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 2.7 Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of its members on at least three (3) business days' notice to each member.

Section 2.8 Quorum: Actions of the Executive Board. A majority of the members present in person or, to the fullest extent provided by the Act by proxy, shall constitute a quorum for all meetings and consents. Unless otherwise determined by a vote of the Executive Board as to a particular issue, a majority vote of those present in person or by proxy, or a majority of those consenting in writing, constitutes a valid corporate action. For purposes of this Article 2, the term "present" shall include attendance in person, by proxy (to the fullest extent provided by the CRNCA), via telephonic or other electronic means, via "real time" e-mail or, in the case of written consents, by providing written response on or before the date responses are due as set forth in the written consent.

Section 2.9 Location of Meetings. All meetings of the Executive Board shall be held either (i) within the State of Colorado, unless all members thereof consent in writing to another location, or (ii) in such a manner as to permit discussions and deliberations via telephonic means or communication via "real time" e-mail.

Section 2.10 Waiver of Notice. Any Executive Board member may waive notice of any meeting in writing. Attendance by an Executive Board member at any meeting of the Executive Board shall constitute a waiver of notice. If all the members of the Executive Board are present at any meeting (participating in a meeting through any means authorized by these Bylaws), no notice shall be required, and any business may be transacted at such meeting.

Section 2.11 Consent to Corporate Action. If a majority of the Executive Board or members of a committee established for such purpose, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of members of the Executive Board or of the committee constitutes a quorum, that action shall be valid corporate action as though it had been authorized at a meeting of the Executive Board or the committee, as the case may be. The secretary shall file these consents with the minutes of the meetings of the Executive Board.

Section 2.12 Types of Communication in Lieu of Attendance. Any member of the Executive Board may attend a meeting of the Executive Board by: (i) using an electronic or telephonic communication method whereby the member may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board; or (ii) by participating in "real time" e-mail

communication when all Board members are participating in this form of communication. The vote of such member shall be counted and the presence noted as if that member was present in person on that particular matter.

Section 2.13 Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such, however members of the Executive Board may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Executive Board members. Nothing herein shall prohibit the Association from compensating a member of the Executive Board, or any entity with which an Executive Board member is affiliated, for services or supplies furnished to the Association in a capacity other than as an Executive Board member pursuant to a contract or agreement with the Association, provided that such Executive Board member's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Executive Board, excluding the interested member of the Executive Board.

ARTICLE 3 - OWNERS

Section 3.1 Meetings of the Owners. The following types of "meetings" (as that term is used in the CRNCA) shall be or may be held, as provided below.

(a) Annual Meetings. Annual meeting of Owners shall be held at least once a year in the State of Colorado, at such date set forth in the notice. At these meetings, the Executive Board shall be elected by ballot of the Owners, in accordance with the provisions of Article 2 of these Bylaws. The Owners may transact other business as may properly come before them at these meetings.

(b) Special Meetings. Request that a special meeting of the Association be called may be made by the president, by a majority of the members of the Executive Board or by a written instrument signed by Owners comprising twenty percent (20%) of the votes in the Association.

(c) Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to ratify a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Executive Board. A summary of the proposed budget approved by the Executive Board shall be mailed to the Owners within thirty (30) days after its adoption along with a notice of a meeting of the Association to be held not less than fourteen (14) nor more than fifty (50) days after mailing of the summary to the Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA). Unless sixty-seven percent (67%) of the total votes in the Association reject the proposed budget,

the budget is ratified. There are no quorum requirements for this meeting. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Executive Board as provided above.

Section 3.2 Place of Meetings. Meetings of the Owners shall be held within the State of Colorado and may be adjourned to a suitable place convenient to the Owners, as may be designated by the Executive Board or the president.

Section 3.3 Notice of Meetings. Except as otherwise set forth in Subsection 3.1(c), the secretary shall cause notice of all meetings of the Owners set forth in Section 3.1 to be hand-delivered, sent via nationally recognized over-night or express delivery service, or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address designated in writing by the Owner, or sent by telefax transmittal to the fax number designated in writing by the Owner with a written confirmation of receipt, not less than fourteen (14) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient or three days after placing the notice in the United States mail. No action shall be adopted at a special meeting except as stated in the notice.

Section 3.4 Adjournment of Meeting. At any meeting of Owners, a majority vote may adjourn the meeting to another time.

Section 3.5 Order of Business. The order of business at all meetings of the Owners shall be as set forth in the written meeting agenda available at the beginning of each meeting.

Section 3.6 Voting.

(a) If only one of several Owners of a Unit is present at a meeting of the Association, the Owner (or Owners) present is entitled to cast the vote allocated to that Unit. If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority of the Owners of that Unit and no vote may be split. Majority agreement exists if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

(b) The votes allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one 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 months (11 months) after its date, unless it specifies a shorter term.

(c) The vote of a corporation or limited liability company may be cast by an officer of that corporation or by the manager of the limited liability company in the absence of express notice of the designation of a specific person by such Owner's governing body, members, manager, operating agreement or bylaws. The vote of a limited liability limited partnership or a limited partnership may be cast by the general partner (or any general partner if there is more than one general partner). The vote of a general partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The moderator of the meeting may require reasonable evidence that a person voting on behalf of an Owner who is a corporation, limited liability company, limited liability limited partnership, limited partnership, general partnership or any other type of entity recognized by Colorado law is qualified to vote.

(d) Votes allocated to a Unit owned by the Association may not be cast.

Section 3.7. Quorum and Requisite Vote of Owners. Except as otherwise provided in these Bylaws, the Owners present in person or by proxy at any meeting of Owners, representing sixty-seven percent (67%) of the votes in the Association, shall constitute a quorum at that meeting. Except where a different percentage vote is required in the Declaration, these Bylaws or the Act, sixty-seven percent (67%) of the votes in the Association shall be binding upon all Owners for all purposes.

Section 3.8 Voting by Mail. The Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to the CRNCA, any action that may be taken at any annual, regular, or special meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot, and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.3 above.

(a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than the election of members of the Executive Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(d) A written ballot, once received by the Association, may not be revoked, unless the Owner casting the written ballot appears in person at a meeting convened to consider any one or more of the matters on the ballot.

ARTICLE 4 - OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. Any two offices may be held by the same person, except the offices of president and secretary. The office of vice president may be vacant. All officers must be members of the Executive Board.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board.

Section 4.3 Resignation and Removal of Officers. Upon the affirmative vote of a majority of the Executive Board, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose. Any officer may resign at any time by giving written notice to the president or secretary.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Owners and of the Executive Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.5 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint another of its members to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Owners and Executive Board. The secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two members of the Executive Board, one of whom may be the treasurer.

Section 4.8 Execution of Instruments. Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.9 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a manager employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act.

The amount of the fee for preparing statements of unpaid Assessments and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense assessment against the Unit for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1 Abatement and Enjoinment of Violations by Owners. The violation of any provision of the Governing Documents shall give the Executive Board the right, in addition to any other rights set forth in the Governing Documents, after notice and an opportunity to be heard (except in case of an emergency when no notice is required):

(a) To enter the Unit in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Governing Documents. The Executive Board shall not be deemed liable for any manner of trespass or damage by this action; or

(b) To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

Section 5.2 Fines for Violation. The Executive Board may adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules and Regulations or of the Declaration. Fines will be levied after notice thereof and an opportunity to be heard. The Executive Board may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each such violation, including those violations which persist after notice and an opportunity for a hearing is given.

ARTICLE 6 - INDEMNIFICATION

Section 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 Executive Board 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. 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.

Section 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 Executive Board 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.

Section 6.3 Successful on the Merits. To the extent that a member of the Executive 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 of this Article 6, 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 by him or her in connection therewith.

Section 6.4 Determination Required. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Section 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Executive Board or officer is proper in the circumstances because such individual has met the applicable

standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Executive Board so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Executive Board shall provide a copy of its written opinion to the officer or Executive Board member seeking indemnification upon request.

Section 6.5 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 Executive Board or officer who is a party to a proceeding in advance of final disposition of the proceeding if (i) the member of the Executive Board or officer furnishes to the Association a written affirmation of the Executive Board member's good faith belief that he or she has met the standard of conduct described in Sections 6.1 or 6.2 of this Article 6; (ii) the Executive Board member or officer furnishes to the Association a written understanding, executed personally or on the Executive Board member's or officer's behalf to repay the advance if it is ultimately determined that the Executive Board member or officer did not meet the standard of conduct; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required in this Section 6.5 shall be an unlimited general obligation of the Executive Board but need not be accepted by the Executive Board member or officer or may be accepted without reference to financial ability to make repayment.

Section 6.6 No Limitation of Rights. The indemnification provided by this Article 6 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 Executive Board, or otherwise, nor by any rights which are granted pursuant to the Act and the CRNCA. Upon a vote of the Executive Board, the Association may also indemnify a member appointed by the Executive Board to serve on a committee (when such committee member is not also a member of the Executive Board) upon such terms and conditions as the Executive Board shall deem just and reasonable.

Section 6.7 Directors and Officers Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board 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 6.

ARTICLE 7 - RECORDS

Section 7.1 Records. The Association shall maintain financial records.

Section 7.2 Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Owner or by any of their duly authorized representatives, at the expense of the person examining the records, during normal business hours and after reasonable notice in accordance with the CRNCA and the Act.

Section 7.3 Records. The Association shall keep the following records:

(a) An account for each Unit, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Common Expense Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;

(b) The current operating budget;

(c) A record of insurance coverage provided for the benefit of Owners and the Association;

(d) Tax returns for state and federal income taxation;

(e) Minutes of proceedings of incorporators, Owners, Executive Board and its committees, and waivers of notice;

(f) A copy of the most current versions of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Executive Board, along with their exhibits and schedules; and

(g) Such other records the Executive Board shall determine from time to time are necessary or desirable.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Manager, or, if there is no Manager, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be sent

to the Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when deposited into the United States mail, first class postage prepaid, except notices of changes of address, which shall be deemed to have been given when received.

Section 8.2 Fiscal Year. The Executive Board shall establish the fiscal year of the Association.

Section 8.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 Office. The principal office of the Association shall be within the Common Interest Community or at such other place as the Executive Board may from time to time designate.

Section 8.5 Reserves. As a part of the adoption of the regular budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the Common Elements.

Section 8.6 Conflict of Documents. 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 the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE 9 - AMENDMENT OF BYLAWS

Section 9.1 Vote. These Bylaws may be amended only upon the affirmative vote of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated

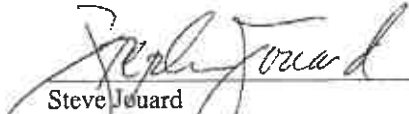
Section 9.2 Rights of Mortgagees. No amendment of these Bylaws of the Association shall be adopted which would affect or impair the validity or priority of any mortgage or deed of trust encumbering any Unit or which would change the provisions of these Bylaws with respect to institutional mortgagees of record.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this
30 day of DECEMBER, 2004.

EXECUTIVE BOARD:



William F. Neal



Steve Jourd



Bryan VanMeveren

KNOW ALL MEN BY THESE PRESENTS: That the undersigned secretary of
the 2038 CARIBOU CONDOMINIUM OWNERS ASSOCIATION does hereby certify
that the above and foregoing Bylaws were duly adopted by the members of the Executive
Board of said Association as the Bylaws of said Association on the 30th day of
December, 2004 and that they do now constitute the Bylaws of said Association.



Secretary