BYLAWS

OF

THE VILLAS AT SINGLETREE CONDOMINIUM ASSOCIATION

ARTICLE I

Offices

The principal office of the corporation (the "Association") shall be located in Edwards, Colorado 81620. The corporation may also have offices and may carry on its purposes at such other places within and outside the State of Colorado as the board of directors may from time to time determine.

ARTICLE II

Membership, Voting, Quorum and Proxies

1. Membership. The members of the Association shall be as set forth in the articles of incorporation from time to time.

2. Voting Rights. The voting rights of the members shall be as set forth in the articles of incorporation and in these bylaws from time to time.

3. Quorum. Except as otherwise provided in these bylaws, the presence in person or by proxy of members entitled to vote 20% or more of the total votes of the members shall constitute a quorum.

4. Proxies. Votes may be cast in person or by proxy. Every proxy must be executed in writing by the member or his duly authorized attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date of its execution unless otherwise provided in the proxy.

5. Majority Vote. At any meeting of members, if a quorum is present, the affirmative vote of more than 50% of the votes represented at the meeting, in person or by proxy, shall be the act of the members, unless the vote of a greater number is required by law, the articles of incorporation, the condominium declaration (the "Declaration") establishing the condominium project at The Villas at Singletree Condominiums (the "Premises"), or these bylaws.

ARTICLE III

Administration

1. Annual Meeting. The annual meeting of the members shall be held at a time designated by the "Board", as hereinafter

defined, or the first Saturday in the month of July, beginning with the year 1990, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in Colorado, such meeting shall be held on the next succeeding business day.

2. Special Meetings. Special meetings of the members, for any purpose, unless otherwise prescribed by statute, may be called by the president or by the Board, and shall be called by the president at the request of the members entitled to vote 40% or more of the total votes of the members.

3. Place of Meeting. The Board may designate any place, either within or outside Colorado, as the place for any annual meeting or for any special meeting called by the board of directors. A waiver of notice signed by all members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If no designation is made, or if a special meeting shall be called otherwise than by the board, the place of meeting shall be the principal office of the corporation in Colorado.

4. Notice of Meeting. Written or printed notice of any meeting of the members, stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally or by mail to each member entitled to vote at such meeting not less than 10 nor more than 50 days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears in the office of the Association, with postage thereon prepaid. For the purpose of determining members entitled to notice of or to vote at any meeting of members, the board of directors may set a record date for such determination of members, in accordance with the laws of Colorado. If requested by the person or persons lawfully calling such meetings, the secretary shall give notice thereof at corporate expense.

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

6. Voting. In the election of directors, each member shall have the right to vote the number of votes to which he is entitled for as many persons as there are directors to be

elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

ARTICLE IV

Board of Directors

1. Number, Tenure and Qualifications. The business and affairs of the Association shall be managed by a board of directors (the "Board"). So long as Declarant is a member by reason of the "Declarant membership", as defined in the articles of incorporation, the Board shall consist of three directors, two of which shall be Class A directors and one of which shall be a Class B director. Declarant shall have the exclusive right to elect each of the Class A directors. During such period, each of the Class B directors, other than an initial director, shall be an individual member, or a partner, trustee, officer, employee, director or shareholder of an organizational member, and shall be elected by a majority vote of the owners, other than Declarant, entitled to vote at a meeting at which directors are to be elected. A person other than an initial director shall automatically cease to be a Class B director at such time as he ceases to be an "individual member", as defined in the articles of incorporation, or a partner, trustee, officer, employee, director or shareholder of an "organizational member", as defined in the articles of incorporation.

At the first annual meeting after the Declarant membership has terminated, the Board shall consist of three directors each of whom shall be an individual member, or a partner, trustee, officer, employee, director or shareholder of an organizational member. Directors shall be elected annually by the members at the annual meeting. Each director shall hold office until the election and qualification of his successor. So long as Declarant is a member by reason of the Declarant membership, this Section 1 of Article IV shall not be amended unless Declarant consents in writing to such amendment.

2. Election of Directors. For so long as there are Class A and Class B directors, Declarant shall elect all Class A directors, and the Class B director shall be chosen by a majority vote of all the members except Declarant who are entitled to vote at a meeting at which directors are to be elected. Thereafter, all directors shall be elected by a majority vote of all members, who are entitled to vote at a meeting at which directors are to be elected. So long as Declarant is a member by reason of the Declarant membership, this Section 2 of Article IV shall not be amended unless Declarant consents in writing to such amendment.

3. Resignations; Vacancies. Any director may resign at any time by giving written notice to the president or the secretary of the Association. Such resignation shall take effect

at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the board of directors (by reason of resignation, death, an increase in the number of directors or otherwise) may be filled by the affirmative vote of a majority of the directors then in office though less than a quorum; provided, however, that upon the death, resignation or otherwise caused vacancy of a Class A director, the new director to fill such vacancy shall be designated by Declarant. A director elected to fill a vacancy shall be elected to serve until the next annual meeting of the members. So long as Declarant is a member by reason of the Declarant membership, this Section 3 of Article IV shall not be amended unless Declarant consents in writing to such amendment.

4. General Powers. The Board shall have and may exercise all the powers of the Association except such as are expressly conferred upon the members, either in their capacity as members of the Association or as owners of condominium units (the "Units") located on the Premises, by law, or by the articles of incorporation, the Declaration or these bylaws.

5. Additional Powers and Responsibilities. In addition to its general powers, the Board shall have the authority and the responsibility, acting through the Association's officers:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property covered thereby to the provisions of the Condominium Ownership Act of the State of Colorado.

(b) To establish, make, amend and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the Premises.

(c) To maintain in good order, condition and repair, and when it deems it necessary, to renovate all of the general and limited common elements, as defined in the Declaration, and all items of personal property used in the enjoyment of the Premises.

(d) To obtain and maintain insurance in connection with the Premises, the members, the Association and holders of liens on Units in the manner and the amounts provided in the Declaration.

(e) To fix, determine, levy and collect annual and special assessments to be paid by each of the members to meet the common expenses (as defined in the Declaration) and to create a contingency reserve therefor, all as specifically provided for in the Declaration.

(f) To collect promptly all delinquent assessments by suit or otherwise and to enjoin or seek damages from a member as is provided for in the Declaration and these bylaws.

(g) To protect and defend the Premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay authorized by these bylaws and the Declaration, to execute all such instruments evidencing such indebtedness as the Board may deem necessary or advisable.

(i) To enter into contracts within the scope of the Board's duties and powers.

(j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board.

(k) To maintain full and accurate books and records showing all of the receipts, expenses or disbursement of the Association. Any member or his "first lienor", as defined in the Declaration, may inspect such records at any reasonable time, and upon ten days' notice to the managing agent or Board and payment of a reasonable fee, any member, first lienor or prospective member or first lienor shall be furnished a statement of such present member's account setting forth the amount of any unpaid assessments or other charges due and owing from such present member.

(l) To prepare and deliver annually to each member a statement showing all receipts, expenses or disbursements since the last such statement.

(m) To take any action or enter into any agreement that may be required as a condition to allow any first lienor to sell his interest in any Unit to the Federal National Mortgage Association, the Governmental National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Department of Housing and Urban Development, which shall include, but not be limited to, giving written notice to any such entity of any loss to, or taking of, general or limited common elements if such loss or taking exceeds $10,000 or damage to a Unit covered by a mortgage or deed of trust purchased in whole or in part by any such entity exceeds $1,000. Such notice shall be sent in care of the party servicing such mortgage or deed of trust.

6. Managing Agent. The Board may employ a managing agent for the Association at a compensation established by the board to perform such duties and services as the board shall authorize

including, but not limited to, the duties listed in Section 5 of this Article IV.

7. Regular Meetings. Regular meetings of the Board may be held without call or formal notice at such places within the State of Colorado, and at such times as the Board may from time to time by vote determine. Any business may be transacted at a regular meeting. Until further determination, the regular meeting of the Board for the election of officers and for such other business as may come before the meeting may be held without call or formal notice immediately after, and at the same place as, the annual meeting of members, or any special meeting of members at which a Board if elected.

8. Special Meetings. Special meetings of the Board may be held at any place within Colorado at any time when called by the president, or by two or more directors, at least three days' prior notice of the time and place thereof being given to each director by leaving such notice with him or at his residence or usual place of business, or by mailing or telegraphing it prepaid, and addressed to him at his post office address as it appears on the books of the Association, or by telephone. Notices need not state the purposes of the meeting. No notice of any adjourned meeting of the directors shall be required.

9. Quorum. A majority of the number of directors fixed by the bylaws shall constitute a quorum for the transaction of business, but a lesser number may adjourn any meeting from time to time. When a quorum is present at any meeting, a majority of the directors in attendance shall, except where a larger number is required by law, by the articles of incorporation or by these bylaws, decide any question brought before such meeting.

10. Waiver of Notice. Before, at or after any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him except when a director attends the meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

11. Meetings by Telephone. Unless otherwise provided by the articles of incorporation, members of the Board or any committee thereof may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

12. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Board 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.

ARTICLE V

Officers and Agents

1. General. The officers of the Association shall be a president (who shall be chosen from the members of the Board), one or more vice presidents, a secretary and a treasurer. The board of directors may appoint such other officers, assistant officers, committees and agents, including assistant secretaries and assistant treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Board. One person may hold any two offices, except that no person may simultaneously hold the offices of president and secretary. In all cases where the duties of any officer, agent or employee are not prescribed by the bylaws or by the Board, such officer, agent or employee shall follow the orders and instructions of the president.

2. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successors elected at any regular meeting of the Board, or at any special meeting of the board called for such purpose.

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

4. President. The president shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees.

5. Vice Presidents. The vice presidents shall assist the president and shall perform such duties as may be assigned to them by the president or by the Board. In the absence of the president, the vice president designated by the Board or (if there be no such designation) designated in writing by the president shall have the powers and perform the duties of the president. If no such designation shall be made, each and every vice president may exercise such powers and perform such duties.

6. Secretary. The secretary shall:

(a) Keep the minutes of the proceedings of the members, executive committee and the Board;

(b) See that all notices are duly given in accordance with the provisions of these bylaws, the Declaration and as required by law;

(c) Be custodian of the corporate records and of the seal of the Association and affix the seal to all documents when authorized by the board of directors;

(d) Keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all members, the designation of the Unit owned by each member, and, if such Unit is encumbered by a mortgage or a deed of trust, the name and address of the party who holds the promissory note secured by such mortgage or deed of trust;

(e) 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 by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

7. Treasurer. The treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Board. He shall receive and give receipts and acquittances for monies paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the treasurer and, upon request of the board, shall make such reports to it as may be required at any time. He shall, if required by the Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Board or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer.

ARTICLE VI

Obligations of The Members

1. Assessments.

(a) Each member shall pay his share of all assessments imposed by the Association to meet the common expenses. Each assessment shall be allocated among the members on the basis of their "Sharing Ratios", as defined in the Declaration, except that with respect to unoccupied Units owned by Declarant, the Association shall assess Declarant only if the assessments assessed with respect to all Units not owned by Declarant or occupied by Declarant are insufficient, in which case Declarant shall be assessed for all Units owned and unoccupied by it in the aggregate, an amount equal to the amount required to meet actual expenses of the Association not to exceed an amount equal to the pro rata share of the common expenses Declarant would be required to pay if all of the Units owned by it were occupied. If a Unit is owned by two or more members, each of such co-owners shall be jointly and severally liable for the portion of the assessment attributable to such Unit. Assessments shall be due and payable on the date or dates specified in the assessment notice. All unpaid assessments may bear interest at a rate determined by the Board from time to time and shall be secured by a lien on the Unit owned by the defaulting member, in accordance with the provisions of the Declaration.

(b) Upon ten days' written notice to the Board or the Lodge Owner, as the case may be, and payment of a reasonable fee, any member shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such member, in accordance with subparagraph 8(i) of the Declaration.

2. Maintenance and Repair.

(a) Every member shall perform or cause to be performed at his own expense all maintenance and repair work within his own "unit", as defined in the Declaration, necessary to maintain such unit in a good and habitable state of repair.

(b) All repairs of internal installations in a unit such as water, light, gas, power, sewage, telephones, air conditioners, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to a unit shall be at the member's expense.

(c) Each member shall reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited

common element damaged by the negligence or intentional acts of such member, his family, tenants or invitees.

3. Compliance With Declaration, Articles, Bylaws and Rules. Each member shall comply with all of the provisions of the Declaration, the articles of incorporation and bylaws of the Association and any rules and regulations issued by the Board. If a member fails to comply, the Association shall have the power, during the period of such delinquency, (a) to revoke a delinquent member's right to use general common elements designed for recreational purposes, if any, and (b) to suspend a member's voting privileges.

ARTICLE VII

Evidence of Ownership, Registration of Mailing Address and Lien Holders

1. Proof of Ownership. Except for those members who initially contracted to purchase a Unit from the Declarant, any person on becoming a member shall furnish to the Association and the Lodge Owner a photocopy or a certified copy of the recorded instrument vesting that person with an interest or ownership. Such copy shall remain in the files of the Association and the Lodge Owner. A member shall not be deemed to be in good standing and shall not be entitled to vote at any annual or special meeting of members unless this requirement is first satisfied. The Association may issue membership certificates to its members, however, such certificates shall not be deemed to be shares of stock in the Association.

2. Registration of Mailing Address. If a Unit is owned by two or more members, such co-owners shall designate one address as the registered address required by the Declaration. The registered address of a member or members shall be furnished to the secretary and the Lodge Owner within five days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the members or by such persons as are authorized by law to represent the interest of such members.

3. Liens. Any member who mortgages or grants a deed of trust covering his Unit shall notify the Association and the Lodge Owner of the name and address of the mortgagee or beneficiary of the deed of trust and shall file conformed copies of the note and security instrument with the Association and the Lodge Owner. The Association shall maintain such information in a book entitled "Liens on Units". The Association, when giving notice to a member of default in paying an assessment or other default, shall send a copy of such notice to each mortgagee or beneficiary of a deed of trust covering such member's Unit whose name and address has theretofore been furnished to the

Association. First lienors, as shown in the Liens on Units, shall have the right to examine the books and records of the Association at any reasonable time.

4. Address of the Association. The address of the Association shall be P. O. Box 388, Vail, Colorado 81658. Such address may be changed from time to time upon written notice to all members and all mortgagees or beneficiaries of deeds of trust listed in Liens on Units.

ARTICLE VIII

Security Interest In Membership

Members shall have the right irrevocably to constitute and appoint the mortgagee or the beneficiary of a trust deed their true and lawful attorney-in-fact to vote their Unit membership in the Association at any and all meetings of the Association and to vest in the mortgagee or the beneficiary any and all rights, privileges and powers that they have as members under the articles of incorporation and these bylaws or by virtue of the Declaration. Such proxy shall become effective upon the filing of notice by the mortgagee or the beneficiary with the secretary of the Association at such time or times as the mortgagee or the beneficiary shall deem its security in jeopardy by reason of the failure, neglect or refusal of the Association, the Board or the members to carry out their duties as set forth in the Declaration. A release of the mortgage or the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve members, as mortgagors, of their duties and obligations as owners of Units or to impose upon the mortgagee or the beneficiary of the deed of trust the duties and obligations of a member.

ARTICLE IX

Indemnification

1. Definitions. For purposes of this Article IX, the following terms shall have the meanings set forth below:

(a) Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

(b) Indemnified Party. Any person who is or was a party or is threatened to be made a part to any Proceeding by reason of the fact that he is or was a director or officer of the Association or, while a director or officer of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other

enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

2. Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law.

3. Insurance. By action of the Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

4. Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article IX, such reasonable requirements and conditions as to the Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following; (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

ARTICLE X

Amendments

1. By Directors. Except as by law, the articles of incorporation, the Declaration or these bylaws limited, or committed to action by the members, the Board shall have power to make, amend and repeal the bylaws of the Association at any regular meeting of the Board or at any special meeting called for that purpose at which a quorum is represented. However, if the members shall make, amend and repeal any bylaws, the Board shall not thereafter amend the same in such manner as to defeat or impair the object of the members in taking such action.

2. Members. The members may, by the vote of the holders of at least 50% of the votes of the members, unless expressly

made subject to a higher voting requirement by law, the articles of incorporation, the Declaration or these bylaws, make, alter, amend or repeal the bylaws of the Association at any annual meeting or at any special meeting called for that purpose at which a quorum shall be represented.

3. Conflict With Declaration. Notwithstanding anything contained herein to the contrary, these bylaws shall not be amended to bring any provision herein into conflict with any provision of the Declaration. These bylaws, as amended from time to time, shall remain subject to the Declaration and this Section 3 of Article X shall not be amended or deleted except by a vote of 100% of the votes of the members and 100% of the first lienors.

ARTICLE XI

Miscellaneous

1. Seal. The corporation seal of the Association shall be circular in form and shall contain the name of the corporation, the year of its organization and the words "Seal, Colorado."

2. Right of Entry. The manager and any person authorized by the board of directors shall have the right to enter each apartment unit (as defined in the Declaration) in case of any emergency originating in or threatening such unit whether or not the owner or occupant is present at the time.

3. Fiscal Year. The fiscal year of the Association shall be such as may from time to time be established by the board of directors.

4. Services. Attached hereto as Schedule A is a list of services provided by the Association, which are paid for out of the periodic assessment.

5. Assessment, Debts, Obligations. Attached hereto as Schedule B is a statement indicating what assessments, debts, or other obligations are assumed by a member on his Unit.

6. Recreational Facilities. Attached hereto as Schedule C is a statement listing and describing all major recreation facilities.

7. New Additions of General and Limited Common Elements. Attached hereto as Schedule D is a statement relating to new additions of general and limited common elements.

SCHEDULE A

Services Provided By The Association Which Are Paid For Out Of The Periodic Assessment*

1. Lawn and grounds care of the general common elements.

2. Snow removal from roads, sidewalks, stairs and parking areas that are part of the general common elements (including, without limitation, limited common element parking areas, if so designated).

3. Trash removal.

4. Water and sewer service unless otherwise billed directly to each owner.

5. Electricity for lighting of general common elements.

6. Administration, bookkeeping, legal and audit.

7. Insurance, as more fully described in Paragraph 9 of the Declaration.

8. All other ordinary maintenance, repair work, and services related to the general common elements that may be necessary.

* The services set forth herein are the initial services to be provided by the Association. The Association may, from time to time, add to or subtract from the list.

SCHEDULE B

Assessments, Debts, or Other Obligations Assumed
By a Member on his Condominium Unit

1. Assessments. Each member will be assessed by the Association his pro rata share of the common expenses attributable to each Unit owned by him. Such proration shall be on the basis of the Sharing Ratios, on the date the common expense is assessed, except that with respect to unoccupied Units owned by Declarant, the Association shall assess Declarant only if the assessments assessed with respect to all Units not owned by Declarant or occupied by Declarant are insufficient, in which case Declarant shall be assessed for all Units owned and unoccupied by it in the aggregate, an amount equal to the amount required to meet actual expenses of the Association not to exceed an amount equal to the pro rata share of the common expenses Declarant would be required to pay if all of the Units owned by it were occupied. Special assessments may be levied whenever in the opinion of the Board of Directors it is necessary or advisable to do so (i) to meet increased operating or maintenance expenses or costs, (ii) to provide for additional capital expenses, or (iii) because of emergencies; however, if the proposed additional capital expenses at any given time are in excess of ten percent of the maximum replacement value of the buildings, as determined by the Association pursuant to subparagraph 9(c) of the Declaration, such expenses may be incurred only after the members, by the vote of the members owning at least 75% of the general common elements, approve such expenses.

2. Debts. All sums assessed but unpaid for the share of common expenses assessed to any Unit shall constitute a lien on such Unit in favor of the Association. These liens are more fully described in subparagraphs 8(e) and 8(f) of the Declaration.

3. Obligations.

(a) Although Declarant does not anticipate that the members will purchase their Units subject to any liens, except for the lien imposed by law for real property taxes levied on the Unit for the year in which the Unit is purchased, there are liens imposed by the laws of the United States and the State of Colorado which may not appear of record. Each prospective member is advised to avail himself of a title insurance commitment prior to closing of title on a Unit.

(b) Each member may mortgage his Unit and the mortgage may cover such member's interests in general and limited common elements. However, except for mechanic's liens, assessment liens, or tax liens, no other liens may be obtained against the general or limited common elements.

SCHEDULE C

Recreational Facilities

There are presently no recreational facilities planned for the land that is included as the initial phase of The Villas At Singletree Condominiums. Such land is described in Exhibit A of the Declaration. However, in the future, recreational facilities may be constructed on the land described in Exhibit B of the Declaration, and such land may become subject to the Declaration in accordance with subparagraph 2(b) of the Declaration. Neither Declarant nor the Association is required to construct any recreational facilities in connection with The Villas At Singletree Condominiums, and no representation of any future recreational facilities is made with respect to The Villas At Singletree Condominiums.

If recreational facilities are constructed on the real property described in Exhibit B of the Declaration and if such land is made subject to the Declaration, such recreational facilities will be new additions of general and limited common elements, with the resulting effect to members being as set forth in attached Schedule D.

SCHEDULE D

New Additions of General and Limited Common Elements

1. Effect on Member in Reference to Obligation for Payment of Common Expenses. If Declarant subjects the land described in Exhibit B of the Declaration to the Declaration, there will be new additions of general and limited common elements. In the event of an addition of general and limited common elements there will be an increase in common expenses and each member's assessment for common expenses will be increased in accordance with each member's Sharing Ratio. However, with the addition of general and limited common elements, there may be an addition of Units, in which case the increase in common expenses will be totally or partially defrayed by the additional members who will be assessed their pro rata share of common expenses in accordance with their Sharing Ratios.

2. Effect on Member in Reference to Ownership Interest in Existing General and Limited Common Elements and New General and Limited Common Elements. In the event that there are new additions of general and limited common elements, each member shall have the same ownership interest in the new general and limited common elements that he has in existing general and limited common elements, which interest is set forth in Exhibit D of the Declaration. His ownership interest in existing general and limited common elements shall remain unaffected. However, the addition of new Units will decrease each member's ownership interest in existing general and limited common elements as more fully described in subparagraph 2(b) of the Declaration. The interest in general and limited common elements of members who may in the future become subject to the Declaration by virtue of subparagraph 2(b) of the Declaration shall be determined in accordance with the provisions in subparagraph 2(b) of the Declaration.

3. Effect on Member in Reference to Voting Power in the Association. The new addition of general and limited common elements shall have no effect on a member in reference to his voting power in the Association. However, the addition of new Units will have the effect of decreasing each member's voting power. The reason for such decrease is that the total number of votes of all members, other than for the Declarant membership, equals the total number of Units, with each owner of a Unit having one vote, and therefore the addition of Units shall result in additional votes being allocated to the owners of such Units.