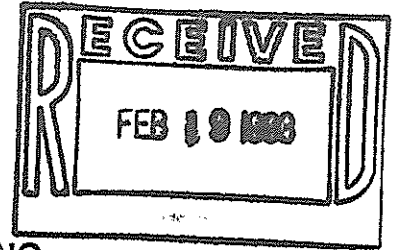


BYLAWS
OF
AVION CLUB OWNERS ASSOCIATION, INC.



(A Colorado nonprofit corporation)

ARTICLE I

Officers

1. **Business Offices.** The principal office of Avion Club Owners Association, Inc., a nonprofit corporation (the "Association"), in the State of Colorado, shall be located in the County of Gunnison. The Association may have such other offices, either within or without the State of Colorado, as the Board of Directors may determine or as the affairs of the Association may require from time to time.

2. **Registered Office.** The Association shall have and continuously maintain in the State of Colorado a registered office, and a registered agent whose office is identical with such registered office, as required by the Colorado Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Members

1. **Membership.** The membership of the Association shall consist of those persons acquiring an ownership interest in one or more lots within the Avion Club Subdivision. Such ownership interest shall be the sole qualification for membership.

2. **Voting Rights.** Each member in good standing under the Subdivision's Protective Covenants shall have the number of votes equal to such member's number of lots owned. Where any lot has more than one owner, such owners shall designate in writing one of their number to be sole voting member. In the absence of such designation the Board of Directors may designate one of the owners as the sole voting member.

3. **Majority of the Members.** As used in these Bylaws the term "Majority of the Members" shall mean those members of the Association holding more than fifty percent (50%) of the total number of votes in the Association then entitled to be cast.

4. **Termination and Transfer of Membership.** Upon sale or transfer of the ownership interest in a lot, the former owner's membership shall terminate and shall be automatically transferred to the purchaser or transferee.

ARTICLE III

Meetings of Members

1. **Annual Meeting.** An annual meeting of the members shall be held on the second Saturday in the month of July in each year, beginning with the year 1993, at the hour of 6:00 p.m., or at such other date and time that the Board of Directors may determine, 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 the State of Colorado, such meeting shall be held on an alternate day to be determined by the Board of Directors. If the election

of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

2. **Special Meetings.** Special meetings of the members may be called by the President, the Board of Directors, or not less than one-third of the members having voting rights.

3. **Place of Meeting.** The Board of Directors may designate any place, either within or without the State of Colorado, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made, the place of meeting shall be the principal office of the Association in the State of Colorado; but if all of the members shall meeting at any time and place, either within or without the State of Colorado, and consent to the holding of a meeting, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

4. **Notice of Meetings.** Written notice stating the place, day and hour of any meeting of members shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten (10) days or more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers of persons calling the meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail

addressed to the member at his address as it appears on the records of the Association, with postage thereon prepaid.

5. **Informal Action by Members.** Any action required by law to be taken at a meeting of the members, or any action which may 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.

6. **Quorum.** A Majority of the Members, as defined in Section 3 of Article II above, shall constitute a quorum. If a quorum is not present in person or by proxy at any meeting of the members, a majority of the members present may adjourn the meeting from time to time until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

7. **Proxies.** At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly-authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

8. **Manner of Acting.** An affirmative vote of a majority of the votes entitled to be cast on a matter to be voted upon by the members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater portion is required by law, by the Restrictive

Covenants for Avion Club Owners Association, Inc (the "Covenants") or by these Bylaws, and such a vote shall bind all members.

9. **Voting by Mail.** Where directors or officers are to be elected by members or any class or classes of members, such election may be conducted by mail in such manner as the Board of Directors shall determine.

10. **Meetings by Phone.** Meetings may be conducted by telephone conference call.

ARTICLE IV

Board of Directors

1. **Number, Tenure, Qualifications and Initial Board.** The affairs of the Association shall be governed by a Board of Directors composed of three (3) persons from among the members of the Association. The number of directors may be increased or decreased by amendment of these Bylaws; provided, however, that the number of directors shall not be reduced to less than three nor increased to more than ten. Directors need not be residents of the State of Colorado. Each director shall hold office until his successor shall have been elected and qualified. The initial Board of Directors shall consist of the following persons: Richard A. Landy, Marlene Landy and Warren Rosenberg. At the first annual meeting of the Association, one director shall be elected to hold office for a term of one (1) year, a second director shall be elected to hold office for a term of two (2) years, and a third director shall be elected to hold office for a term of three (3) years. At all annual elections thereafter, a director shall be elected for a term of three (3) years to succeed the director whose term then

expires; provided, that nothing herein shall be construed to prevent the election of a director to succeed himself.

2. **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a subdivision. The Board of Directors may do all such acts and things as are not by law or by the Articles of Incorporation or these Bylaws or by the Covenants either prohibited or directed to be exercised and done by the owners.

3. **Specific Powers and Duties.** Without limiting the generality of the foregoing Section 2, the Board of Directors shall be specifically empowered to and shall have the duty to:

(a) Administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Covenants.

(b) Establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of this subdivision, with the right to amend the same from time to time. Such establishment or amendment shall be conducted at a regular or special meeting of the Board of Directors upon motion of any board member approved by a majority of the board members there present, which members present shall be a quorum. A copy of such rules and regulations shall be delivered to or mailed to each member of the Association promptly upon the adoption thereof.

(c) Keep in good order, condition and repair all of the items of personal property which are the property of the Association.

(d) Insure and keep insured all of the insurable items of the Association's property. Further, obtain and maintain comprehensive liability insurance covering the entire Association in such adequate amounts as the Board of Directors may determine. Insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the owners of lots and their first mortgagees.

(e) Fix, determine, levy and collect periodically, the prorated assessments to be paid by each of the owners toward the common expenses of the Association and to adjust, decrease or increase the amount of the assessments, and to credit any excess of assessments over expenses and cash reserved to the owners against the next succeeding assessment period. Levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increasing operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. Levy, collect and deposit assessments up to two (2) times the amount of estimated monthly assessments as provided in the Covenants for a working capital fund. All assessments shall be in statement form.

(f) Impose penalties and collect delinquent assessments by suit or otherwise and enjoin or seek damages from an owner as is provided in the Covenants and these Bylaws.

(g) Protect and defend the subdivision from loss and damage by suit or otherwise.

(h) Borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Covenants and execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary, and such indebtedness shall be the several obligation of all of the owners in the same proportion as the number of lots they own; provided, however, that the Board shall not borrow more than Five Thousand Dollars (\$5,000.00), or cause the Association to be indebted for more than Five Thousand Dollars (\$5,000.00) at any one time without the prior approval of a majority of the members of the Association.

(i) Enter into contracts within the scope of their duties and powers.

(j) Establish bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(k) Keep and maintain detailed, full and accurate books and records showing all of the receipts, expenses and disbursements of the Association and permit examination thereof during convenient weekday business hours by each of the owners and their mortgagees, if any. Further, furnish such statements of account as are provided for in the Covenants.

(l) Prepare and deliver annually to each owner a statement showing all receipts, expenses and disbursements since the last such statement.

(m) Designate and remove personnel necessary for the maintenance, operation, repair and replacement of the Association's property.

(n) Establish a suitable fiscal year, which shall be the Association's budgeting and accounting period.

(o) In general, carry on the administration of this Association and do all of those things, necessary and reasonable, in order to carry out the governing and the operation of this subdivision.

4. **Regular Meetings.** A regular annual meeting of the Board of Directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of members. The Board of Directors may provide by resolution the time and place, either within or without the State of Colorado, for the holding of additional regular meetings of the Board without other notice than such resolution.

5. **Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Colorado, as the place for holding any special meeting of the Board called by them. Meetings may be conducted by telephone conference call.

6. **Notice.** Notice of any special meeting of the Board of Directors shall be given at least two (2) days prior thereto by written notice delivered personally

or sent by mail or telegram to each director at his or her address as shown on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive written notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of written notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or these Bylaws.

7. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time until a quorum is obtained. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

8. **Manner of Acting.** The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

9. **Vacancies.** A vacancy shall occur in the office of a director when such director ceases to be a member of the Association or when such director resigns or dies or when there is an increase in the number of directors. Any vacancy occurring in the Board of Directors and any directorship may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

10. **Removal.** At any annual or special meeting of the members duly called, any one or more of the directors may be removed with or without cause by the members of the Association upon the affirmative vote of a Majority of Members, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given an opportunity to be heard at the meeting.

11. **Fidelity Bonds.** The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

12. **Compensation.** Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to

preclude any director from serving the Association in some other capacity and receiving compensation therefore.

13. **Informal Action by Directors.** Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors.

ARTICLE V

Officers

1. **Officers.** The officers of the Association shall be a President, a Secretary, a Treasurer, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect or appoint such other officers, including one or more Vice Presidents, one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

2. **Election and Term of Office.** The officers of the Association shall be elected annually by the Board of Directors at the next regular meeting of the Board of Directors following the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New offices may be created and filled at any meeting of the Board of Directors. The officers of the Association shall be elected from

among the members of the Association; provided, however, that the President must be elected from among the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.

3. **Removal.** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

4. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5. **President.** The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He shall preside at all meetings of the members and of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Association, contracts or other instruments which the Board of Directors has authorized to be executed, except in the cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

6. **Vice President.** In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one

Vice President, the Vice Presidents in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

7. **Treasurer.** The Treasurer shall have charge and custody of and be reasonable for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust company or other depositories as shall be selected in accordance with the provisions of Article VII or these Bylaws; keep full and accurate accounts of all receipts and disbursements in the Association's books; and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8. **Secretary.** The Secretary shall keep the minutes of the meetings of the members of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; and in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

ARTICLE VI

Indemnification

1. Third Party and Derivative Actions. 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 (including an action by or in the right of the Association), by reason of the fact that he is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid or necessarily incurred, in settlement or otherwise, by him in connection with such action, suit or proceeding, except in relation to matters as to which any such director, officer, agent, employee, or person serving at the Association's request, or former director, officer, agent, employee, or person serving at the Association's request, shall be adjudged in such action, suit or proceeding to be liable for willful misconduct in the performance of his duty and to such matters as shall be settled by agreement predicated on the existence of such liability, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper; but such indemnification shall be deemed exclusive of any other rights

to which the director, officer, agent, employee, or other person serving at the Association's request is entitled to under any agreement, or otherwise.

2. **Determination.** Any indemnification under Section 1 of this Article VI (unless ordered by a Court) shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, agent or person serving at the Association's request is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 of this Article VI. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or, (b) if such a quorum is not obtainable, or even if obtainable, a quorum of the disinterested directors so directs, by independent legal counsel in a written opinion; or, (c) by the affirmative vote of a majority of the votes held by the members present, in person or by proxy, at a meeting called for such purpose at which a quorum is in attendance; provided, however that if a director, officer, employee or agent of the Association, or person serving at the Association's request has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article VI or in defense of any claim, issue or matter therein, he shall be automatically be indemnified against expenses (including attorneys' fees) actually and necessarily incurred by him in connection therewith without the necessity of any such determination that he has met the applicable standard of conduct set forth in Section 1 of this Article VI.

3. **Payment in Advance.** Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors as provided in Section 2 of this Article VI upon receipt of an undertaking by or on behalf of the director, officer, employee, agent or person serving at the Association's request to repay such amount if and when it should ultimately be determined that he is not entitled to be indemnified by the Association as authorized in this Article VI.

4. **Insurance.** The Board of Directors may exercise the Association's power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability hereunder or otherwise.

5. **Other Coverage.** The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under the Articles of Incorporation, these Bylaws, agreement, vote of members or disinterested directors, the Colorado Nonprofit Corporation Act, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, agent or one serving at the

Association's request and shall insure to the benefit of the heirs and personal representatives of such a person.

ARTICLE VII

Contracts, Checks, Deposits, Gifts and Proxies

1. **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.
2. **Checks, Drafts, Etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistance Treasurer and countersigned by the President or the Vice President of the Association.
3. **Deposits.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.
4. **Gifts.** The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

5. Proxies. Unless otherwise provided by resolution adopted by the Board of Directors, the President or any Vice President may from time to time appoint one or more agents or attorneys-in-fact of the Association, in the name and on behalf of the Association, to cast the votes which the Association may be entitled to cast as the holder of stock or other securities in any other corporation, association or other entity any of whose stock or other securities may be held by the Association, at meetings of the holders of the stock or other securities of such other corporation, association or other entity, or to consent in writing, in the name of the Association as such holder, to any action by such other corporation, association or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Association and under its corporate seal, or otherwise, all such written proxies or other instruments as he may deem necessary or proper in the premises.

ARTICLE VIII

Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members. The Association shall make available to members and their lenders, and to holder, insurers and guarantors of the first mortgage or deed of trust on any

lots, current copies of the Covenants, these Bylaws and other rules governing the subdivision and other books, records and financial statements of the Association, including records of receipts and expenditures. "Available" shall mean available for inspection upon request during normal business hours.

ARTICLE IX

Obligations of the Members

1. **General.** The members shall have all the obligations set forth in the Covenants.
2. **Assessments.** All members are personally obligated to pay the regular and special assessments covering all project common expenses which are imposed by the Board of Directors as stipulated in the Covenants. Such assessments shall include, among other things, periodic payments for insurance of the type and kind specified in the Covenants and these Bylaws, for fidelity bond coverage, and shall include periodic payments to a reasonable contingency or other reserve or surplus fund.

ARTICLE X

Corporate Seal

The corporate seal shall be in a form such as shall be approved by resolution of the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The impression of the seal may be made and attested by either the Secretary or an Assistance Secretary for the authentication of contracts or other papers requiring the seal.

ARTICLE XI

Waiver of Notice

Whenever any notice is required to be given under the provisions of the Colorado Nonprofit Corporation Act or under the provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time state therein, shall be deemed equivalent to the giving of such notice.

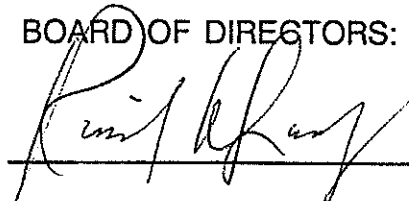
ARTICLE XII

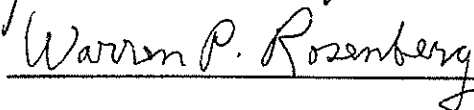
Amendments to Bylaws

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any regular meeting or at any special meeting, if at least ten (10) days prior written notice is given to each member of the Association of the intention to alter, amend or repeal or to adopt new bylaws at such meeting. No amendment shall take effect unless it is consistent with the Covenants and the Articles of Incorporation.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 1st day of February, 1993.

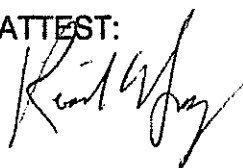
BOARD OF DIRECTORS:





KNOWN ALL MEN BY THESE PRESENTS: That the undersigned Secretary of AVION CLUB OWNERS ASSOCIATION, INC., does hereby certify that the above and foregoing Bylaws were duly adopted by the Directors of said corporation on the 1st day of February, 1993.

ATTEST:



Warren P. Rosenberg
Secretary

Buckhorn Ranch Association, Inc.

Procedure for Delinquent Dues and Assessments Effective April 25, 1999 as Amended and Adopted at the Meeting of the Association dated 4/25/99

Association dues will be billed on a semi-annual basis, in January and July of each year. Frequency of billing may be changed by the Board of Directors, or its designated Manager, with notice to all members.

Statements of dues and/ or assessments will be sent via ordinary U.S. Mail to each owner's address of record. In the event that there are multiple owners, or the lot is owned by an entity, then one statement will be sent to the person designated to be the manager of the property. It remains the responsibility of each owner to apprise the Association of any change of billing address. Also, it is the responsibility of each owner to ensure that payment is received in the Association office. The Association is not responsible for the timeliness of the mails.

Each billing of dues and assessments will be due and payable within 30 days of the statement date. Owners may pay each quarter at a time, but will only be billed on a semi-annual basis. Any owner who is in arrears 60 days shall be charged a late fee of \$50.00, which will be added to the dues or assessment. Also, interest will accrue on the billed amount at a rate of 1.5% per month, compounded monthly, beginning on the 31st day following the date of the statement. All delinquent dues, assessments, late charges, interest and other related charges described below will encumber the property in the form of a lien as allowed by the Colorado Common Interest Ownership Act.

The Association will send a reminder notice to the defaulting owner once the late charge is incurred. The Association will not be responsible for mailing any other reminders to the owner. The defaulting owner will be liable for all costs of collection (including postage, court fees, process service fees, etc) and attorney's fees incurred in attempting to collect the past due amounts.

If there is more than one owner of a lot and the dues are in default, the Association will mail each of them a statement of dues or assessments in arrears to be paid for the whole lot, if, and only if, the addresses of the additional owners are on file with the Association. In the event that the owner is a partnership, corporation or a limited liability company, the notice will be sent to the manager of the entity.

All owners of a lot shall be jointly and severally liable for all dues and assessments as provided by the Declaration of Covenants and By-Laws. The Association may elect in its discretion to pursue one, some, or all co-owners of a lot.

Any owner of lot for which dues or assessments are overdue will not be a member in good

standing with the association and will not be entitled to any membership benefits, including, but not limited to, attendance and voting at Membership meetings, until such owner has paid all dues, assessments, interest, late charges and other costs, in full.

The Association shall have the option to foreclose on the delinquent property in accordance with the Bylaws and Declarations of Protective Covenants of Buckhorn Ranch in a manner in accordance with Colorado law as defined or allowed in the Colorado Common Interest Ownership Act.