

**BYLAWS
OF
MURPHY CREEK MASTER ASSOCIATION, INC.**

**ARTICLE I.
NAME AND LOCATION**

The name of the corporation is Murphy Creek Master Association, Inc., hereinafter referred to as the "Master Association." The principal office of the Master Association shall be 30 Cherry Hills Farm Drive, Cherry Hills, Colorado 80110, but meetings of Members and directors may be held at such places within the State of Colorado as may from time to time be designated by the Board of Directors of the Master Association ("Board of Directors" or "Board").

**ARTICLE II.
PURPOSE**

The purpose for which the Master Association is formed is to govern the Community, exercise the rights, power and authority, and fulfill the duties of the Master Association, as provided in that certain Master Declaration of Covenants, Conditions and Restrictions of Murphy Creek, and all amendments, clarifications and supplements thereto, recorded or to be recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado ("Master Declaration") (terms which are defined in the Master Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Murphy Creek Master Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado ("Articles of Incorporation"). All present and future Owners, tenants, occupants, and any other Person who may use any Lot, the Common Elements, or any portion thereof, or any facilities or appurtenances thereto or thereon, in any manner, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Master Declaration, Articles of Incorporation and these Bylaws. The mere acquisition, rental or occupancy of any Lot, or any portion thereof, shall signify that all terms and provisions of the Master Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

**ARTICLE III.
MEETINGS OF MEMBERS**

1. Annual Meetings. The first annual meeting of the Members shall be held within twelve (12) months from the date of incorporation of the Master Association, and each regular annual meeting of the Members held thereafter shall be held on such date, at such time and location, as may be designated by the Board of Directors from time to time. At each annual meeting, the Members shall elect directors to fill vacancies and conduct such other business as may properly come before the meeting.

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

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

4. Quorum and Voting Requirements.

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

(b) Unless otherwise specifically provided by the Master Declaration, the Articles of Incorporation, these Bylaws or by statute, action on all matters, except election of the Board of Directors, coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, is approved if the votes cast favoring such action exceed the votes cast opposing such action.

5. Proxies.

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

(b) The vote(s) allocated to a Lot may be cast pursuant to a proxy duly executed by an Owner. If a Lot is owned by more than one Person, any Owner of such Lot may register protest to the casting of a vote by any other Owner of such Lot through a duly executed proxy; but each Lot shall only have the vote(s) allocated to it, as provided in the Master Declaration. If a Lot is allocated more than one (1) vote, all votes attributable to such Lot must be cast the same way on the same matter. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the Person presiding over a meeting of the Master Association. A proxy is void if it is not

dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it provides otherwise.

6. Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of the Members may be taken without a meeting if the Master Association delivers (by mail or otherwise) a written ballot to every Member entitled to vote on the matter which sets forth each proposed action and provides an opportunity to vote for or against each proposed action. Approval by written ballot is 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. Solicitations for vote by written ballot must be accompanied by written information sufficient to permit a Member to reach an informed decision on the matter and must specify:

- (a) the number of responses needed to meet the quorum requirements;
- (b) the percentage of approvals necessary to approve each matter other than election of the directors; and
- (c) the time by which a ballot must be received in order to be counted.

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

ARTICLE IV.

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

1. Number. The affairs of this Master Association shall be managed by a Board of Directors of five (5) directors, except that the Board which shall serve until 50% of the Lots that May Be Included have been conveyed to Owners other than a Master Declarant or Builder, shall consist of three (3) directors. Directors shall be Members which, in the case of any Members who are not natural persons, may include the officers, directors, partners, employees, members, or authorized agents of each such Member. Notwithstanding the foregoing, the number of directors may be changed from time to time by a vote of the Board of Directors; provided, however, that the number of directors may not be greater than nine (9) nor less than three (3).

2. Power to Appoint or Elect. During the Period of Master Declarant Control, the Master Declarant shall have the power to appoint the directors as more fully described in the Master Declaration. Subject to the Master Declarant's right to appoint, the Members shall elect the directors.

3. Term of Office. Any director who is elected by the Members prior to termination of the Period of Master Declarant Control shall serve for one (1) year or until such director's duly-elected successor takes office on the Board of Directors, whichever occurs first; except that any director may at any time resign, be removed (subject to these Bylaws), or otherwise be

disqualified to serve. Upon termination of the Period of Master Declarant Control, the Members shall elect five (5) directors to serve until the first annual meeting of the Members held after the termination of the Period of Master Declarant Control. At the first annual meeting of the Members held after termination of the Period of Master Declarant Control, the Members shall elect two directors for terms of one year and three directors for terms of two years, and at each annual meeting thereafter the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two years.

4. Removal. The Owners, by a vote of sixty-seven percent (67%) of the Master Association votes cast by Members present in person or by proxy at any meeting of the Owners at which a quorum is present, may remove any director with or without cause, other than a director appointed by the Master Declarant. Master Declarant may at any time remove, and appoint the successor of, any director who was appointed by the Master Declarant. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining directors, whether or not such remaining directors constitute a quorum, and shall serve for the unexpired term of the director being replaced; provided, however, that the Master Declarant may appoint the successor of any director who served in such capacity as a result of being appointed by the Master Declarant

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

ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS

1. Nomination. Nomination for election to the Board of Directors may be made by a nominating committee if such a committee is appointed, from time to time, by the Board of Directors. Nominations may also be made from the floor at any Member meeting.

2. Election. Election to the Board of Directors shall be by secret written ballot if any Member so requests or in the discretion of the Board of Directors. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Master Declaration. Cumulative voting is not permitted. Unless otherwise specifically provided by the Master Declaration, the Articles of Incorporation, these Bylaws, or by statute, the election of the Board of Directors at a meetings of the Members at which a proper quorum is in attendance, in person or by proxy, shall be decided as follows:

(a) When only one director is being voted upon, the affirmative vote of a majority of the Members constituting a quorum at the meeting of the Members at which the election occurs shall be required for election to the Board of Directors. If multiple persons are running for one directorship and no one receives a majority of the votes, then another election shall be held at which the two (2) persons running for such directorship who received the most votes in the prior election shall be voted upon and the person receiving a majority of the affirmative votes cast by Members shall be elected;

(b) When multiple directors are being elected, that number of candidates equaling the number of directors to be elected, having the highest number of votes cast in favor of their election, are elected to the Board of Directors.

ARTICLE VI.
MEETINGS OF THE BOARD OF DIRECTORS

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

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

3. Quorum: Actions of Board of Directors. A quorum at any meeting of the Board of Directors is present if directors entitled to cast fifty percent (50%) of the votes on the Board of Directors are present. Every act or decision done or made by a majority of a quorum of the directors present, in person or by proxy granted to another director (as more specifically set forth below), at a duly held meeting shall be regarded as the act of the Board of Directors.

4. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting if each and every director in writing ("Written Vote(s)") does either (a) or (b):

- (a) Votes for such action; or
- (b) (i) Votes against such action or abstains from voting; and
(ii) Waives the right to demand that a meeting be held.

Action under this Section is valid only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. For any action taken under this Section to be effective the Master Association must receive the Written Votes described in subsections (a) and (b) signed and not revoked. Written Votes may be received by the Master Association by facsimile. A director may revoke such director's Written Vote by a writing signed and dated describing the action and stating that the director's prior vote is revoked ("Revocation") if such Revocation is received by the Master Association before the last Written Vote necessary to effect the action is received by the Master Association. The Master Association shall keep the Written Votes and any Revocations with the minutes of the meetings of the Board of Directors.

5. Proxies. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may be deemed to be present and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is

directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section and in Section 4 of this Article, directors may not vote or otherwise act by proxy.

ARTICLE VII.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

1. The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Lots, the Common Elements, the Community, any property which is visible from any Lot, or any portion thereof, and any facilities thereon and the personal conduct of the Members, their guests and other Persons thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of any Member during any period in which such Member shall be in default in the payment of any assessment levied by the Master Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of these Bylaws or published Master Association rules and regulations;

(c) enter into, make, perform or enforce contracts, licenses, leases and agreements of every kind and description;

(d) borrow money;

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

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

(g) declare the office of a director to be vacant in the event such director shall be absent from two (2) regular meetings of the Board of Directors during any one year period;

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

(i) exercise any and all powers granted by the Colorado Revised Non-Profit Corporation Act and by CCIOA.

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

(a) cause to be kept a complete record of all its acts and corporate affairs and present a statement thereof to the Members at the annual meeting of the Members, or at

any special meeting when such statement is requested in writing by Owners entitled to cast at least one-fourth (1/4) of the votes at such meeting;

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

(c) as more fully provided in the Master Declaration, to:

(1) determine the amount of the annual assessment against each Lot, from time to time, in accordance with the Master Association budget, and revise the amount of the annual assessment if such budget is not ratified by the Owners; and

(2) foreclose the lien against any Lot for which assessments are not paid within such time as may be determined by the Board of Directors from time to time, or bring an action at law against the Owner personally obligated to pay the same;

(d) issue, or cause an appropriate officer or authorized agent to issue, upon demand by any Person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all Persons who rely thereon in good faith;

(e) procure and maintain insurance, as more fully provided in the Master Declaration;

(f) provide for maintenance, repair and/or reconstruction of the Common Elements, other property, and Improvements, as more fully provided in the Master Declaration; and

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

Any of the aforesaid duties may be delegated by the Board of Directors to any other Person(s) or to the Master Association's managing agent.

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

ARTICLE VIII.
RIGHTS OF THE MASTER ASSOCIATION

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

ARTICLE IX.
OFFICERS AND THEIR DUTIES

1. Enumeration of Offices. The officers of this Master Association shall be a president, a secretary, a treasurer, and such other offices as the Board may from time to time by resolution create.
2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.
3. Term. The officers of this Master Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until such officer's duly-elected successor takes office, whichever occurs later; except that any officer may at any time resign, be removed, or otherwise be disqualified to serve.
4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Master Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.
5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.
7. Multiple Offices. The same individual may simultaneously hold two or more offices, subject to any applicable requirements or limitations contained in the Master Declaration, Articles of Incorporation, these Bylaws or applicable law.
8. Duties. The duties of the president, vice-president, secretary and treasurer, which are delegable to other persons or the managing agent, are as follows:

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

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

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

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

The president, secretary or treasurer of the Master Association may prepare, execute, certify, file and/or record amendments to the Master Declaration, the Articles of Incorporation or these Bylaws, on behalf of the Master Association, except that the Board of Directors may authorize other officers to do so.

ARTICLE X.

DELEGATION OF AUTHORITY TO A MANAGING AGENT

1. If the Board of Directors or officers of the Master Association delegate any of their powers of collection, deposit, transfer or disbursement of Master Association funds to other Persons or to a managing agent, then the following provisions shall be required:

(a) That the other Person or managing agent maintain fidelity insurance coverage or a fidelity bond in an amount of not less than Fifty Thousand and no/100 Dollars

(\$50,000.00) or such higher amount as the Board of Directors may require from time to time; and

(b) That the other Person or managing agent maintain all funds and accounts of the Master Association separate from the funds and accounts of other homeowners associations that are managed by such other Person or managing agent, and keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Master Association; and

(c) That an annual accounting of the Master Association funds and a financial statement be prepared and presented to the Master Association by the managing agent, a public accountant, or a certified public accountant.

ARTICLE XI. COMMITTEES

The Board of Directors shall appoint a Design Review Committee, subject to the provisions of the Master Declaration, and may appoint a nominating committee. In addition, the Board of Directors may appoint other committee(s) as it deems appropriate, from time to time, in carrying out its purposes.

ARTICLE XII. BOOKS AND RECORDS

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

ARTICLE XIII. CORPORATE SEAL

The Master Association shall have a seal in circular form and within its circumference the words: MURPHY CREEK MASTER ASSOCIATION, INC.

ARTICLE XIV. AMENDMENTS

These Bylaws may be amended by the Board of Directors. These Bylaws may also be amended by the Members as long as, prior to any meeting of Members at which an amendment will be voted on: the Master Association gives notice to each Member entitled to vote on the amendment; such notice states that one of the purposes of the meeting is to consider the amendment; such notice is accompanied by a copy or summary of the amendment; and, at such regular or special meeting of the Members at which a quorum is present in person or by proxy, the votes that are cast in favor of said amendment exceed the votes that are cast against such

amendment. In addition, these Bylaws may be amended by a vote of Members by written ballot as provided in these Bylaws. Notwithstanding anything to the contrary contained in this Article, the written approval of HUD or VA shall be required for any amendments enacted during the Period of Master Declarant Control if, at the time such amendment is enacted, HUD has insurance or VA has a guarantee(s) on one or more Security Interests and HUD or VA requires such approval.

ARTICLE XV.
CONFLICTS OF PROVISIONS

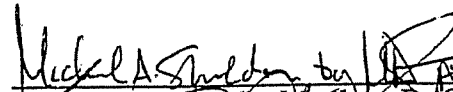
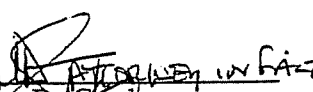
In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Master Declaration and these Bylaws, the Master Declaration shall control; and in the case of any conflict between the Articles of Incorporation and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

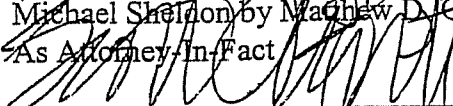
ARTICLE XVI.
FISCAL YEAR

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

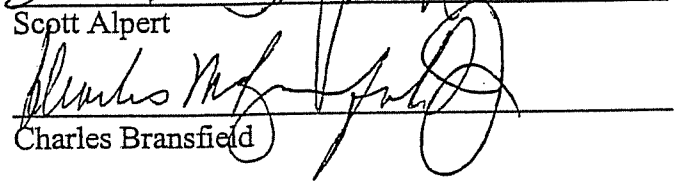
IN WITNESS WHEREOF, we, being all of the directors of Murphy Creek Master Association, Inc., have hereunto set our hands this 29th day of May, 2001.

DIRECTORS:


Michael Sheldon by  Matthew D. Gordon
As Attorney-In-Fact



Scott Alpert



Charles Bransfield

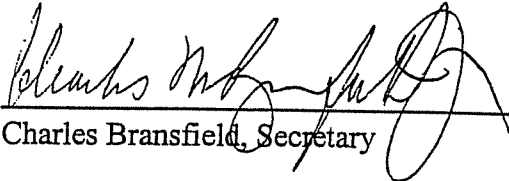
I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Murphy Creek Master Association, Inc. a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Master Association as duly adopted at a meeting of the Board of Directors thereof, held on the 29th day of May, 2001.

In Witness Whereof, I have hereunto subscribed my name and affixed the seal of said Master Association this 29th day of May, 2001.

(SEAL)



Charles Bransfield, Secretary