

BYLAWS
OF
SUMMER HILL SUBDIVISION HOMEOWNERS ASSOCIATION,
A COLORADO NONPROFIT CORPORATION

THESE BYLAWS of SUMMER HILL SUBDIVISION HOMEOWNERS ASSOCIATION, A COLORADO NONPROFIT CORPORATION (the "Corporation"), as amended, are effective the 12th day of March, 2005, and are adopted pursuant to the Colorado Revised Nonprofit Corporation Act (the "Act") and the Colorado Common Interest Ownership Act ("CCIOA"). In the event of a conflict between these Bylaws, the Articles of Incorporation of Summer Hill Homeowners Association (the "Articles of Incorporation") or the Declaration of Covenants, Conditions and Restrictions for Summer Hill Subdivision (the "Declaration"), the Articles of Incorporation and the Declaration shall control over the Bylaws, and the Declaration shall control over the Articles of Incorporation.

ARTICLE I.
Members

Section 1.1. Annual Meeting. The annual meeting shall be held on the second Tuesday in April in each year, at the hour of 7:00 p.m., for the purpose of the election of directors and for the transaction of such other business as may lawfully come before the meeting.

Section 1.2. Special Meetings. Special meetings may be called by the president, by a majority of the board of directors, or by members holding at least twenty percent (20%) of the votes of the corporation upon delivery of a written request for such meeting to the president. Notice of the meeting shall be given in accordance with Section 1.4.

Section 1.3. Location of Meeting. The board of directors shall designate any place, within Mesa County, as the location of any meeting. One or more members may participate in any members meeting by any means of communication by which all persons participating in the meeting can hear one another simultaneously. Such participation shall constitute presence in person at the meeting.

Section 1.4. Notice of Meetings; Waiver of Notice.

1.4.1. Not less than ten (10) nor more than fifty (50) days in advance of any members meeting, the secretary shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each member or to any other mailing address designated in writing by the member.

1.4.2. Notice of any meeting must state the date, time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, any proposal to remove an officer or director, and any proposal to dissolve.

1.4.3. A member may waive notice of any meeting, or any other notice required by these Bylaws, by a writing signed by the member entitled to notice which is delivered to the secretary (either before or after the date and time stated in the notice) for inclusion in the minutes or for filing with the corporate records. A member's attendance at a meeting:

(a) Waives objection to lack of notice or defective notice of the meeting, unless the member, at the beginning of the meeting, objects to holding the meeting on the basis of lack of notice or defective notice; and

(b) Waives objection to consideration of a particular matter at the meeting that is not within the purposes described in the meeting notice, unless the member objects to considering the matter when it is first presented.

Section 1.5. Quorum and Voting. A quorum shall be deemed present throughout any members meeting if persons entitled to cast twenty-percent (20%) of the votes which may be cast for election of the board of directors of the Corporation are present in person or by proxy at the beginning of the meeting. Upon failure of a quorum, an adjournment may be taken by the vote of a majority of the members present for a period not to exceed thirty (30) days at any one adjournment. If a quorum exists, action on a matter shall be approved if the votes cast by the members present at the meeting which favor an action exceed the votes cast in opposition to the action, unless a greater number of votes is required by law, the Articles of Incorporation, the Declaration, or these Bylaws. If there are more than two (2) choices or candidates, the choice or candidate receiving the most votes, whether or not a majority of the total votes cast, shall be the prevailing choice or candidate. Each member entitled to vote shall have the number of votes allocated to that member in accordance with the Declaration.

Section 1.6. Proxy. Members are entitled to vote at any members meeting in person or by written proxy, properly signed by the member or his duly authorized attorney-in-fact. Proxies shall be filed with the secretary before or at the time of the meeting. A proxy terminates eleven (11) months after its date, unless it provides otherwise.

Section 1.7. Fixing Record Date. For the purpose of determining members entitled to notice or to vote at any members meeting, the board of directors may fix a date in advance as the record date. Such date shall not be fewer than ten (10) nor more than fifty (50) days prior to the date on which the action is to be taken. If the directors do not fix such a record date, the record date shall be the close of business on:

(a) With respect to any meeting, the day before the first notice is delivered to members; and

(b) With respect to any informal action taken pursuant to Section 1.9, the date the first member signs a written consent.

Section 1.8. Order of Business. Unless the chairperson adopts some other agenda, the order of business at annual meetings of the members and, insofar as practicable at all other meetings of the members, shall be as follows.

- (a) Call of the roll of members and approval of proxies;
- (b) Proof of notice of meeting or executed waiver,
- (c) Reading of minutes of last meeting;
- (d) Reports of officers and committees;
- (e) Election of directors;
- (f) Unfinished business;
- (g) New business;
- (h) Miscellaneous business.

Section 1.9. Informal Action by Members. Any action required by law or these Bylaws to be taken at a members meeting, or any other action which may be taken at a members meeting, may be taken without a meeting upon execution of a written consent as provided by law.

Section 1.10. Action by Written Ballot

1.10.1 Any action that may be taken at any members meeting may be taken without a meeting if the Corporation delivers a written ballot (in the manner provided in subsection 1.4.1) to every member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against such proposed action. Approval by written ballot shall only be valid 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.

1.10.2. Solicitations for votes by written ballot may not be revoked, and shall:

- (a) Indicate the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approvals necessary to approve each matter other than election of directors;
- (c) Specify the time by which the ballot must be received by the Corporation in order to be counted; and
- (d) Be accompanied by written information sufficient to permit each member voting to reach an informed decision on the matter

Section 1.11. Membership and Members List. Those persons and entities specified by the Declaration and Articles of Incorporation shall be members of the Corporation. The secretary shall not be required to keep a member list as described in Section 7-127-201, C.R.S.

Section 1.12. Transactions Requiring Membership Approval. Notwithstanding anything to the contrary stated elsewhere in these Bylaws, neither the board of directors, nor any committee of such board, nor any officer, agent, or employee of the Corporation shall take any of the following actions without the prior approval of the voting members, unless otherwise provided by law, the Declaration, or the Articles of Incorporation:

- (a) Amendment or restatement of the Declaration or Articles of Incorporation;
- (b) Merger, dissolution, or sale or other disposition of substantially all of the assets of the Corporation;
- (c) Sale, lease, disposition, pledge, gift, or encumbrance of any interest in real or personal property belonging to the Corporation, except in accordance with the established policies for such matters approved from time to time in advance by the voting members;
- (d) Aggregate borrowing of the Corporation for any period for any purpose in excess of \$10,000, or of a dollar amount to be established from time to time by the members entitled to vote; the term "borrowing" for these purposes shall include any commitment for the payment of money pursuant to any contract;
- (e) The formulation of an initial, or any change in any subsequent, formal or informal statement of the purposes and objectives of the Corporation;
- (f) Any expenditure of a nature that was not anticipated or reflected in a budget approved in advance of such expenditure by the voting members, and any expenditure which either singly or when aggregated with all other similar amounts throughout the Corporation's fiscal year exceeds five percent (5%) of the amount budgeted for such expenditure or class of expenditures pursuant to a budget approved in advance of such expenditure by the voting members; or
- (g) Any expenditure of the principal of or income from any fund or funds in any manner that is inconsistent with any restrictions imposed on such fund or funds by donors to the Corporation or by the voting membership

ARTICLE II.
Board of Directors

Section 2.1. Powers and Duties. The business and the property of the Corporation shall be controlled and managed by the board of directors, except as otherwise expressly provided by law, the Articles of Incorporation, the Declaration, or these Bylaws.

2.1.1 By way of example and not limitation, the board of directors shall:

(a) Employ independent contractors and employees as the board deems necessary;

(b) Cause to be kept a complete record of all its acts and corporate affairs;

(c) Supervise all officers and any agents and employees of the Corporation, and to see that their duties are properly performed;

(d) As more fully provided in the Declaration and CCIOA to:

(1) Fix the amount of the annual budget and annual assessment against each lot;

(2) Cause delivery of all required notices relative to budgets and assessments;

(3) Collect assessments which are not paid when due as provided in the Declaration or otherwise allowed by law; and

(4) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid.

(e) Obtain and maintain insurance as required by the Declaration and CCIOA;

(f) Cause all officers, employees, or agents having fiscal responsibilities to be bonded, as provided by the Declaration and law; and

(g) Cause all property owned or used by the Corporation to be properly maintained.

2.1.2. The president or secretary may prepare, execute, certify, and record amendments to the Declaration on behalf of the Corporation.

Section 2.2. Number and Term. The number of directors shall be five (5). Each director shall serve for a period of one (1) year from the day of his or her election or appointment and until the election and qualification of his or her successor, unless provided otherwise by law, the Declaration, the Articles of Incorporation, or these Bylaws. Directors may be elected by ballot or other means; provided, however, that members may not cumulate their votes in favor of or against directors.

Section 2.3. Vacancies. Any vacancy in membership of the board of directors shall be filled for the remainder of the unexpired term by the affirmative vote of a majority of the remaining directors, whether or not consisting of a quorum

Section 2.4. Resignation and Removal.

2.4.1. A director may resign at any time by giving written notice of his or her resignation to the Corporation. Such resignation is effective when the notice is received by the Corporation, unless the notice specifies a later date. A board member who has failed to attend three (3) consecutive board meetings shall be deemed to have resigned upon a confirming vote of a majority vote of the board. If a director is deemed to have resigned for failing to attend meetings, his or her resignation date shall be the date of confirmation of resignation by the board of directors

2.4.2. At a special members meeting called pursuant to these Bylaws, or by any other means in accordance with these Bylaws, the entire board of directors or any lesser number may be removed, with or without cause, by the voting members, if the number of votes cast to remove the director(s) would be sufficient to elect the director(s). If a director is elected by a voting group, only that voting group may participate in the vote to remove that director.

Section 2.5. Regular Meetings of Directors. Regular meetings of the board of directors shall be held immediately following the annual members meeting. The board of directors may provide, by resolution, for additional regular meetings.

Section 2.6. Special Meetings. Special meetings of the board of directors shall be held whenever called by the president or by a majority of the directors.

Section 2.7. Time and Place of Meetings. All meetings of the board of directors shall be held at the hour of 7:00 p.m. at the principal office of the Corporation, unless another time or location is unanimously agreed upon prior to the meeting by the board of directors, or otherwise provided by these Bylaws, the Declaration or law. One or more directors may participate in or conduct any meeting of the board by any means of communication by which all persons participating

in the meeting can hear one another simultaneously. Such participation shall constitute presence in person at the meeting.

Section 2.8. Notice of Meetings. Regular meetings of the board of directors shall require no further notice than that provided by these Bylaws. Special meetings shall be held only after delivering, at least two (2) days in advance of such meeting to each director personally or mailing to each director at the director's last known address, a written or printed notice of such meeting, giving the time, date and purpose of the meeting. A director may waive any notice of a meeting with a written waiver, signed by the director, and filed with the minutes or corporate records.

Section 2.9. Quorum and Manner of Action. A quorum will be deemed present throughout any meeting if a majority of the directors are present at the beginning of the meeting. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors.

Section 2.10. Proxies. A director may be deemed present at a meeting if, prior to the meeting, the director grants and delivers a written proxy to another director who is present in person at the meeting. The proxy must direct a vote to be cast with respect to a particular proposal that is described with reasonable specificity in the proxy. No other proxies by directors shall be allowed.

Section 2.11. Compensation of Directors. No director shall receive compensation for his or her attendance at meetings of the board of directors. However, upon a vote of the directors, a director may be reimbursed for actual expenses incurred in performance of the director's duties. The compensation allowed to directors shall be changed only by action of the members. This Bylaw may only be amended by the members.

Section 2.12. Presumption of Assent and Right of Dissent. A director who is present at a meeting of the board of directors when corporate action is taken is deemed to have waived notice of the meeting and assented to all action taken at the meeting unless:

- (a) The director objects to holding the meeting or transacting business at the meeting at the beginning of the meeting, or promptly upon the director's arrival, and does not thereafter vote for or assent to any action taken at the meeting;
- (b) The director contemporaneously requests that the director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or
- (c) The director causes written notice of the director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Corporation promptly after adjournment of the meeting.

The right of dissent or abstention pursuant to this Section 2.12 is not available to a director who votes in favor of the action taken.

Section 2.13. Informal Action by Directors Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a written consent setting forth the action to be taken is signed by all of the directors entitled to vote with respect to the subject matter of the consent. Such consent may be received by electronically transmitted facsimile or other form of wire or wireless communication providing the Corporation with a complete copy of the document, including a copy of the signature on the document. Unless the directors establish a different effective date, action is taken at the time the last director signs the consent. Such consent shall have the same effect as action taken at a meeting of directors and may be described as such in any document. A director may revoke his or her consent by a written revocation signed by the director and received by the secretary before the last director has signed the consent. All signed written instruments necessary for any action taken pursuant to this Section 2.13 shall be filed with the minutes of the Board of Directors.

Section 2.14. Committees The board of directors may appoint and determine the duties of such committees as the directors deem appropriate to assist the directors in carrying out their duties. Committee members need not be directors or officers. No committee member shall be compensated for committee service.

ARTICLE III. Officers

Section 3.1. General. The officers of the Corporation shall be a president, a secretary, and a treasurer. All officers shall be members of the corporation who are natural persons, eighteen (18) years of age or older. The board of directors may elect or appoint such additional officers as it may consider necessary who shall hold their offices for such terms and have such authority and duties as from time to time may be determined by the board of directors. The salaries, if any, of the officers of the Corporation shall be fixed by the board of directors. In all cases where the duties of any officer, agent, or employee are not prescribed by these Bylaws or by the board of directors, such officer, agent, or employee shall follow the orders and instructions of the president.

Section 3.2. Election and Tenure of Officers. Except as otherwise provided by the Declaration, the officers of the Corporation shall be elected by the board of directors annually at the annual meeting of the board. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as conveniently possible. Election shall be by ballot and a majority of the votes cast shall be necessary to elect. One person may hold more than one office. A director or directors may hold any office(s). Each officer shall hold office until the first of the following to occur: his successor is duly elected and qualified; his death; his resignation; or until his removal.

Section 3.3. Resignation. An officer may resign at any time by giving written notice of resignation to the Corporation. The resignation of an officer is effective when the notice is received by the Corporation unless the notice specifies a later effective date. If a resignation is made effective at a later date, the board of directors may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does

not take office until the effective date, or the board of directors may remove the officer at any time before the effective date and may fill the resulting vacancy.

Section 3.4. Removal. Any officers may be removed by the affirmative vote of the board of directors at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not, in and of itself, create a contractual right.

Section 3.5. Vacancies. A vacancy in any office, however occurring, may be filled by the board of directors for the unexpired portion of the term.

Section 3.6. President. The president shall, subject to the direction and supervision of the board of directors, be the chief executive officer of the Corporation and shall have general and active control of its affairs and business and general supervision of its officers, agents, and employees. The president shall present a report of the general conduct and transactions of the company at the annual members meeting. The president shall, unless otherwise directed by the board of directors, attend in person or by substitute appointed by the president all meetings of the stockholders of any other corporation in which the Corporation shall hold any stock, or shall execute on behalf of the Corporation written instruments appointing a proxy or proxies to represent the Corporation at such meetings. The president may, on behalf of the Corporation, in person or by substitute or proxy, vote the stock so held by the Corporation and may execute written consents and other instruments with respect to such stock, and may exercise any and all rights and powers incident to the ownership of said stock, subject, however, to the instructions, if any, of the board of directors. The president shall have custody of the treasurer's bond, if any.

Section 3.7. Treasurer. The treasurer shall perform all the duties and obligations of the president when the president is unable to act due to a vacancy in the office, absence, or illness. The treasurer shall be the principal financial officer of the Corporation and shall have the care and custody of all the funds, securities, evidences of indebtedness, and other personal property of the Corporation and shall deposit the same in accordance with the instructions of the board of directors. The treasurer shall be required to keep written books and accounts showing all receipts and expenditures of the company. The treasurer shall perform all other duties incident to the office of treasurer and, upon request of the board, shall make such reports to it as may be required at any time. The treasurer shall, if required by the board, give the Corporation a bond in such sums and with such sureties as shall be satisfactory to the board, conditioned upon the faithful performance of the treasurer's duties and for the restoration to the Corporation of all books, papers, vouchers, money, and other property of whatever kind in the treasurer's possession or under the treasurer's control belonging to the Corporation. The treasurer shall have such other powers and perform such other duties as may be from time to time prescribed by the board of directors or the president. The assistant treasurers, if any, shall have the same powers and duties, subject to the supervision of the treasurer. If no office of comptroller is established, then the treasurer shall also prepare and maintain an adequate system of internal audit, and prepare and furnish to the president and the board of

directors statements of account showing the financial position of the Corporation and the results of its operations.

Section 3.8 Secretary. The secretary shall perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the board of directors. The secretary shall keep the minutes of the proceedings of the members and the board of directors. The secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The secretary shall be custodian of the Corporation records and of the seal of the Corporation and affix the seal to all documents when authorized by the board of directors. The secretary shall keep at the Corporation's registered office, or principal place of business within or outside Colorado, a record containing the names and addresses of all members. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

ARTICLE IV. Amendment of Bylaws

The board of directors shall have the power to make, amend, and repeal the Bylaws of the Corporation at any regular meeting of the board or at any special meeting called for that purpose, unless otherwise provided in these Bylaws.

ARTICLE V. Dissolution

Section 5.1. Authorization. To authorize the dissolution of the Corporation, the board of directors shall adopt and recommend a proposal to dissolve to the members, which shall be approved upon the affirmative vote of two-thirds (2/3) of members entitled to vote. If the board of directors determines that it should make no recommendation, because of conflict of interest or other special circumstances, and communicates the basis for its determination to the members, dissolution may be approved without such recommendation upon the affirmative vote of two-thirds (2/3) of members entitled to vote. The board of directors may condition the effectiveness of the dissolution, and the members may condition their approval of the dissolution, on any basis.

Section 5.2. Notice. The Corporation shall give notice to members entitled to vote, pursuant to Section 1.4, of the members meeting at which the proposal to dissolve will be voted on. The notice shall contain or be accompanied by a copy of the proposal or a summary thereof.

Section 5.3. Articles of Dissolution. After dissolution is authorized, the Corporation shall dissolve by delivering to the secretary of state for filing articles of dissolution setting forth the Corporation's name, the address of its principal office or a statement that no such principal office shall be maintained and an address for service of process, the date dissolution was authorized, and a statement that the number of votes cast for the proposal to dissolve by each voting group entitled to vote separately on the proposal was sufficient for approval by that voting group.

Section 5.4. Revocation. The Corporation may revoke its dissolution within 120 days after the effective date of the dissolution by the same action that authorized its dissolution pursuant to Section 5.1. After the revocation of dissolution is authorized, the Corporation shall revoke the dissolution by delivering to the secretary of state for filing, within 120 days after the effective date of dissolution, articles of revocation of dissolution, together with its articles of dissolution, that set forth the Corporation's name, the date of the dissolution, the date the revocation of dissolution was authorized, and a statement that the number of votes cast for revocation of dissolution by each voting group entitled to vote separately on the proposal to dissolve was sufficient for approval by that voting group.

ARTICLE VI.
Miscellaneous

Section 6.1. Delegation of Authority. If the Corporation delegates powers of the board of directors or officers relating to collection, deposit, transfer, or disbursement of association funds to other persons or to a managing agent.

(a) Such other persons or managing agent shall maintain fidelity insurance coverage or a bond in an amount not less than \$50,000.00 or such higher amount as the board of directors may require;

(b) Such other persons or managing agent shall maintain all funds and accounts of the Corporation separate from the funds and accounts of other corporations or associations managed by the other persons or managing agent and maintain all reserve accounts of each corporation or association so managed separate from the operational accounts of the Corporation; and

(c) An annual accounting for corporate funds and a financial statement shall be prepared and presented to the Corporation by the managing agent, a public accountant, or a certified public accountant.

Section 6.2. Seal. The board of directors may provide a corporate seal which may be circular in form and contain the name of the Corporation and the words "Colorado Seal."

Section 6.3. Offices. The principal office of the Corporation shall be at a location determined by the board of directors from time to time.

ATTEST:



Lynn/Thompson, Secretary
MEMBER OF THE COLORADO SECRETARIES ASSOCIATION