

**BYLAWS
OF
ROLLING HILLS RANCH PATIO HOMES II ASSOCIATION**

ARTICLE 1

DEFINITIONS

1.1 "Declaration" means the Supplemental Declaration of Covenants, Conditions, and Restrictions for Rolling Hills Ranch Patio Homes II (a Common Interest Community) recorded with the Clerk and Recorder of Weld County, Colorado, together with any amendments.

1.2 "Director" means any person serving on the Executive Board of the Association.

1.3 All other words and terms used in these Bylaws shall have the meanings given to them in the Declaration and in the Colorado Common Interest Ownership Act, as amended.

ARTICLE 2

MEETINGS OF MEMBERS

2.1 Annual Meeting. The annual meeting of the Members shall be held each year on such date as shall be selected by the Executive Board for the purposes of electing Directors to the Association Executive Board, for electing two Neighborhood Representatives to represent this Neighborhood on the Master Association Executive Board and in all Master Association matters, and for the transaction of such other business as may come before the meeting.

2.2 Budget Meeting. Meetings of Members to consider proposed budgets shall be called in accordance with the Act. The budget may be considered at annual or special meetings called for other purposes as well.

2.3 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the Directors or by Members comprising 20 percent of the votes in the Association.

2.4 Place of Meetings. Meetings of the Members shall be held at any suitable place convenient to the Members, as may be designated by the Executive Board or the president.

2.5 Notice of Meetings. The secretary shall cause notice of meetings of the Members to be hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address designated in writing by the Member, not less than 10 nor more than 50 days in advance of a meeting, except that if the meeting is to approve any material amendment to the Declaration, the Bylaws, or the Articles of Incorporation, or any extraordinary action as defined in Articles 10.2.4 and 10.2.5 of the Declaration, then notice shall be given not less than 25 nor more than 50 days in advance of the meeting.. The notice of any meeting shall state the time and place

of the meeting and the items on the agenda, including a summary of any proposed material amendments to the Declaration, the Bylaws, or the Articles of Incorporation, or any extraordinary action as defined in Articles 10.2.4 and 10.2.5 of the Declaration, any budget changes, and any proposal to remove an officer or a Director. The notice shall include a copy of a proxy that can be cast in lieu of attendance at the meeting. No action shall be adopted at a meeting except as stated in the notice.

2.6 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice.

2.7 Quorum. Except as otherwise provided in these Bylaws, the Declaration, or by law, at any meeting of the Members the presence in person or by proxy of Members entitled to cast 20 percent of all votes entitled to be cast on the matter to be voted upon shall constitute a quorum. If a quorum exists at the beginning of any meeting, a quorum is deemed present throughout that meeting despite any subsequent departure of Members.

2.8 Majority Vote. The vote of a majority of the Members present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

2.9 Proxies. The vote allocated to a Unit may be cast under a written proxy duly executed by a Member. A Member may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date, unless it specifies a shorter term.

2.10 Adjournment of Meeting. At any meeting of Members, whether or not a quorum is present, a majority of Members who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

2.11 Action by Consent. 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, is signed by all of the Members entitled to vote on such action.

ARTICLE 3

EXECUTIVE BOARD

3.1 Powers and Duties. The business affairs of the Association shall be governed by the Executive Board. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate the Common Interest Community, or to elect Directors or determine the qualifications, powers and duties, or terms of office of Directors,

but the Executive Board may fill vacancies on the Board as provided below. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association, including without limitation the following powers and duties:

- 3.1.1 Adopt and amend budgets for revenues, expenditures and reserves;
- 3.1.2 Collect assessments for Common Expenses from Members;
- 3.1.3 Hire and discharge managing agents;
- 3.1.4 Hire and discharge employees, independent contractors and agents other than managing agents;
- 3.1.5 Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Declaration, Bylaws or rules and regulations in the Association's name, on behalf of the Association or two or more Members on matters affecting the Common Interest Community;
- 3.1.6 Make contracts and incur liabilities;
- 3.1.7 Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- 3.1.8 Cause additional improvements to be made as a part of the Common Elements;
- 3.1.9 Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to the Act;
- 3.1.10 Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions for no more than one year, through or over the Common Elements;
- 3.1.11 Impose and receive a payment, fee or charge for services provided to Unit Members and for the use, rental or operation of the Common Elements;
- 3.1.12 Impose a reasonable charge for late payment of assessments and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, rules and regulations of the Association;

3.1.13 Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

3.1.14 Provide for the indemnification of the Association's officers and the Executive Board and maintain directors' and officers' liability insurance;

3.1.15 Exercise any other powers conferred by the Declaration or Bylaws;

3.1.16 Exercise any other power that may be exercised in the Colorado by a legal entity of the same type as the Association;

3.1.17 Exercise any other power necessary and proper for the governance and operation of the Association; and

3.1.18 By resolution, establish committees of Directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees must maintain minutes and publish notice of their actions to Members and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Member within 45 days of publication of notice of that action, and the committee's action must be ratified, modified or rejected by the Executive Board at its next regular meeting.

3.2 Number and Qualifications. Until the termination of the period of Declarant control, the Executive Board shall consist of four persons. Following such date the Executive Board shall consist of such number of Directors (not less than three nor more than ten) as may be determined from time to time by resolution of the Executive Board, provided that the majority of the Directors (except the Directors appointed by the Declarant) shall be Members. The Neighborhood Representatives elected by the Members to represent the Neighborhood in all Master Association matters shall also be Directors.

3.3 Terms of Office. Except for Directors appointed by the Declarant during the period of Declarant control, the Directors shall be elected by the Members. The terms of office of the initial Directors named in the Articles of Incorporation or any other Directors appointed by the Declarant shall be for the period until their successors are elected by the Members. The terms of any Directors elected by the Members shall be for one year until termination of the period of Declarant control. Thereafter, at the next annual meeting of Members following such termination of Declarant control, the Members shall elect at least one-third of the Executive Board for a term of one year, at least one-third of the Executive Board of a term of two years, and at least one-third of the Executive Board for a term of three years. At each annual meeting thereafter, the Members shall elect the appropriate number of persons serving on the Executive Board, depending on the group of such persons whose term has expired, for a term of three years. At annual meetings of the Members, candidates for Directors may be nominated from the floor.

3.4 Managing Agent. The Executive Board may employ a managing agent for the Common Interest Community, at a compensation established by the Executive Board, to perform duties and services authorized by the Executive Board. The Executive Board may delegate to the managing agent only the powers granted to the Executive Board by these Bylaws under Sections 3.1.2, 3.1.4 and 3.1.7 above. Additionally, licenses, concessions and contracts may be executed by the Managing Agent pursuant to specific resolutions of the Executive Board. The managing agent shall also:

3.4.1 Maintain fidelity insurance coverage or a bond in an amount of not less than \$50,000.00 or such higher amount as the Executive Board may require;

3.4.2 Maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the managing agent, and maintain any reserve account of Association separate from operational accounts of the Association; and

3.4.3 Prepare and present to the Association (either itself, or through a public accountant or a certified public accountant) an accounting for Association funds and a financial statement not less frequently than annually.

3.5 Vacancies. Vacancies on the Executive Board, caused by any reason other than the removal of a Director by a vote of the Members, may be filled at a special meeting of the Executive Board held for that purpose at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. The filling of vacancies shall be made in the following manner:

3.5.1 As to vacancies of Directors whom Members other than the Declarant elected, by a majority of the remaining elected Directors constituting the Executive Board; and

3.5.2 As to vacancies of Directors whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

3.6 Removal of Directors. The Members, by a two-thirds vote of all persons present and entitled to vote at any meeting of the Members at which a quorum is present, may remove any Director serving on the Executive Board, other than a Director appointed by the Declarant, with or without cause. At the meeting where any Director has been removed, or at any subsequent properly called meeting of the Members, the Members shall elect a new Director to fill the unexpired term of the removed Director.

3.7 Regular Meetings. Regular meetings of the Executive Board shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the Members. The Executive Board may provide, by resolution, for the holding of additional regular meetings without other notice than such resolution.

3.8 Special Meetings. Special meetings of the Executive Board may be called by the president or by a majority of the Directors on at least three business days' written notice to each Director. The notice shall be hand-delivered or mailed and shall state the time, place and purpose of the meeting.

3.9 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Executive Board shall constitute a waiver of notice. If all Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

3.10 Quorum. At all meetings of the Executive Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Executive Board, unless otherwise required by law, the Declaration, the Articles of Incorporation or these Bylaws. Directors present at a duly organized meeting of the Executive Board may continue to transact business until adjournment, notwithstanding the withdrawal or departure of Directors during the meeting so as to leave less than a quorum. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.11 Action by Consent. Any action which may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Directors entitled to vote with respect to the action to be taken.

3.12 Compensation. No Director shall receive compensation for serving on the Executive Board. Directors may be entitled to such reimbursement for reasonable expenses incurred on behalf of the Association as may be approved by the Executive Board.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board. The Executive Board may elect an assistant treasurer, an assistant secretary and other officers as it finds necessary. The officers shall also be Directors. Additionally, the president shall be a Neighborhood Representative to the Master Association Executive Board. Any two offices may be held by the

same person, except the offices of president and secretary. The office of vice president may be vacant.

4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the first meeting of the Board following the annual meeting of the Members. They shall take office upon election and hold office at the pleasure of the Executive Board.

4.3 Removal and Resignation of Officers. Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose. The officer may resign at any time by giving written notice to the Executive Board. Such resignation shall take effect on the date of receipt of the notice or any later date specified in the notice. Unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

4.4 Vacancy. A vacancy in any office may be filled by a majority vote of the Directors.

4.5 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Executive Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

4.6 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint some other Director to act in the place of the president on an interim basis. The vice president shall also perform other duties as directed by the Executive Board or by the president.

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

4.8 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive

Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. The treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, authorized by the treasurer, and executed by two Directors, one of whom may be the treasurer if the treasurer is also a Director.

4.9 Agreements, Contracts, Deeds and Checks. Except as provided in Sections 4.5, 4.7, and 4.8 above, all agreements, contracts, deeds, checks and other instruments of the Association shall be executed by the officer or officers of the Association, or such other person or persons, as may be designated by resolution of the Executive Board.

4.10 Compensation. No person shall receive compensation for serving as an officer of the Executive Board. An officer shall be entitled to such reimbursement for reasonable expenses incurred on behalf of the Association as may be approved by the Executive Board.

ARTICLE 5

INDEMNIFICATION

The Directors and officers of the Association shall be entitled to indemnification by the Association in the manner and to the extent provided by Colorado law.

ARTICLE 6

BOOKS AND RECORDS

The Association shall maintain records of (a) its governing documents (Declaration, Articles of Incorporation, Bylaws, Rules and Regulations); (b) its actions (the Executive Board Resolutions, Meeting Minutes); and (c) its financial condition (Balance Sheet, Income Statement and other records indicating the financial condition of the Association). Such books and records shall be available for examination and copying by a Member or such Member's authorized agent during normal business hours and upon reasonable notice to the Association for a reasonable charge, except for privileged or confidential information.

ARTICLE 7

MISCELLANEOUS

7.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the managing agent, or, if there is no managing agent, to the office of the Association, or to such other address as the Executive Board may designate by written notice to all Members and to all holders of Security Interests in the Units who have notified the Association that they hold a Security Interest in a Unit. Except as otherwise provided, all notices to any Member shall be sent to the Member's address as it appears in the records of the Association. All notices to holders of Security Interests in the Units shall be sent to their respective addresses, as designated by them in writing to the Association. Notices shall be hand delivered or sent by United States mail, first class with postage prepaid. All notices shall be deemed to have been given when hand delivered or three days after being deposited in the United States mail, except notices of changes of address, which shall be deemed to have been given when received.

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

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

ARTICLE 8

AMENDMENTS


The Bylaws may be amended at a regular or special meeting of the Members by a vote of a majority of a quorum of Members present in person or by proxy, except that the Federal Housing Administration or the Veteran's Administration shall have the right to veto amendments made during any period of Declarant control as defined in the Declaration. No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any Security Interest in any Unit.

ARTICLE 9

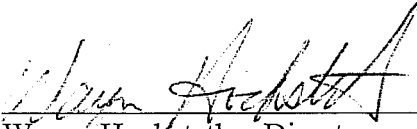
CONFLICT OF DOCUMENTS

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

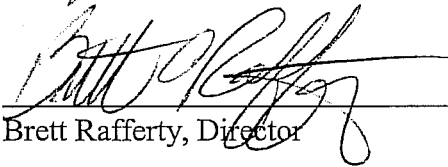
The undersigned being all of the Directors of Rolling Hills Ranch Patio Homes II Association have adopted these Bylaws this 31 day of JULY, 2002.



Terrence A. Jones, Director



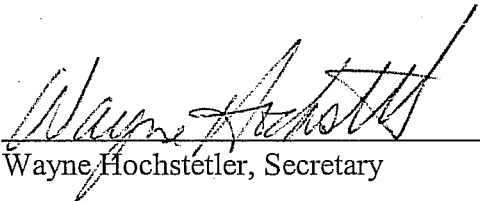
Wayne Hochstetler, Director



Brett Rafferty, Director

CERTIFICATION

I certify that I am the duly elected and acting secretary of Rolling Hills Ranch Patio Homes II Association, and the foregoing Bylaws constitute the original Bylaws of the Association as adopted by unanimous consent of the Executive Board on the 31 day of JULY, 2002.



Wayne Hochstetler, Secretary