

BYLAWS
OF
ORCHARD MEADOWS HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is ORCHARD MEADOWS HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be 3300 South Parker Road, Suite 215, Aurora, Colorado 80014, 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 Association ("Board of Directors" or "Board").

ARTICLE II

PURPOSE

The purpose for which the Association is formed is to govern the Properties, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Declaration of Covenants, Conditions and Restrictions of Orchard Meadows, and any supplements and amendments thereto, recorded in the office of the Clerk and Recorder of the County of Arapahoe, Colorado, ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined), and those certain Articles of Incorporation of Orchard Meadows Homeowners Association, Inc., and any supplements and 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 the Properties, 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 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 Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within fifteen months from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year as the month in which such first annual meeting was held, the specific date and time thereof to 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.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purposes of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of the Members and proxies entitled to cast one-fifth (1/5) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every

proxy shall be revocable and shall automatically cease upon conveyance of the Member's Lot.

Section 6. First Mortgagees. Each First Mortgagee shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV

BOARD OF DIRECTORS - SELECTION - TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors. Directors shall be Members which, in the case of Declarant, may include any officer, director, employee or authorized agent of Declarant, and in the case of other corporate Members may include the officers and directors of each such corporate Member. Until the Class B Membership terminates, a majority of the Board (one-half of the seats on the Board plus one) shall be elected solely by the Class B Members, and the remaining members of the Board (one-half of the seats on the Board less one) shall be elected solely by the Class A Members.

Section 2. Term of Office. Until the Class B Membership has terminated, each director who is elected to the Board shall be elected to serve for a term of one (1) year. At the first annual meeting of the Association subsequent to termination of the Class B Membership, the Members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three 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 three years. At the first annual meeting of the Association subsequent to termination of the Class B Membership, the candidate for the Board of Directors who receives the largest number of votes shall be elected for a three-year term; the candidate who receives the next largest number of votes shall be elected for a two-year term; and the candidate who receives the next largest number of votes shall be elected for a one-year term.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of each class of Members; provided that, so long as there is a Class B membership, Declarant may remove any director who is serving in such capacity as a result of being affiliated with the Declarant, and a majority of the Class A Members may remove any director who was elected to such position solely by the Class A Members. In the event of death, resignation or removal of a director, his or her successor shall be selected by a majority of the remaining

members of the Board, whether or not such remaining members constitute a quorum, and shall serve for the unexpired term of the Director being replaced; provided, however, that so long as there is a Class B membership, the Declarant may appoint the successor of any director who served in such capacity as a result of being affiliated with the Declarant and a majority of the Class A Members may elect the successor of any director who was elected to such position solely by the Class A Members.

Section 4. Compensation. No director shall receive compensation for any service rendered to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of the director's duties.

Section 5. 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 by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made from the floor at the meeting at which the election is held, and may also be made in such other manner as the Board may, from time to time, prescribe.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy for which they have a vote, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly without notice, at such place and hour as may be fixed from time to time by the Board.

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

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

- (a) adopt, amend, publish and repeal rules and regulations governing the use of the Properties, or any portion thereof, including, without limitation, the Lots and Common Area, and any Improvements and facilities thereon, and the personal conduct of the Members, occupants and their guests thereon, and to establish penalties for the infraction thereof;
- (b) suspend the voting rights and the right of a Member to use recreational facilities, if any, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;
- (c) enter into, make, perform or enforce contracts, licenses and agreements of every kind and description;
- (d) provide for direct payment of assessments to the Association from Owners' checking, credit or other accounts;
- (e) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- (f) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) regular meetings of the Board of Directors during any one year period;
- (g) employ the services of a manager or managing agent, or both, and such independent contractors or other employees as they deem necessary or appropriate from time to time, and delegate any of their duties to such persons; provided, however, that when so delegated, the Board shall not be relieved of its responsibilities under the Declaration, the Articles of Incorporation, these Bylaws, or by law;

(h) authorize, on behalf of the Association, indemnification of 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 (other than an action by or in the right of the Association), by reason of the fact that he is or was a director, officer, employee, fiduciary or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in the best interest of the Association and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful. The indemnification provided by this subparagraph shall not be deemed exclusive of any other rights to which those indemnified may be entitled under the Articles of Incorporation, these Bylaws, any agreement, vote of shareholders or disinterested directors, or otherwise, and any procedure provided for by any of the foregoing, 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, fiduciary, or agent of the Association, and shall inure to the benefit of the heirs, executors, and administrators of such a person; and

(i) purchase and maintain, on behalf of the Association, insurance covering any person who is or was a director, officer, employee, fiduciary, or agent of the Association, or who is or was serving at the request of the Association as a director, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, or other enterprise, 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 under the provisions of subparagraph (h) of this Section 1.

Section 2. Duties. It shall be the duty of the Board of Directors to see that all of the duties and obligations of the

Association as set forth in the Declaration are performed as required therein, including without limitation the duty 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 one-fourth (1/4) of the Class A Members who are entitled to vote at such meeting;

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

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

(1) determine the maximum amount of the annual assessment against each Lot prior to the commencement of each Association fiscal year, and give written notice to each Owner of each increase in the amount of the actual assessment against his Lot;

(2) foreclose the lien against any Lot for which assessments are not paid within one hundred eighty (180) days after the due date, 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 Article VI of the Declaration;

(f) provide for maintenance and repair and/or reconstruction of the Common Area and any other property, as more fully provided in the Declaration.

ARTICLE VIII

RIGHTS OF THE ASSOCIATION

Section 1. Implied Rights. The Association may exercise any and all rights or privileges given to it under the 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.

Section 2. Restriction of Rights. Notwithstanding the provisions of Section 1 of this Article, the Association shall not be empowered to do any of the matters itemized in Article XI of the Declaration, unless it shall obtain the prior written approval of the required percentage of Owners and First Mortgagees, as therein provided.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association may be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 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.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the 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.

Section 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, 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.

Section 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.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

(a) 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 Association.

Vice-President

(b) The vice-president 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.

Secretary

(c) The secretary or a designated agent 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 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; and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the 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 Association; shall keep proper books of account; shall cause an annual compilation report of the 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 or as may be required by Article XI, Section 3 of the Declaration, an annual review or audited financial statement may be required; and shall prepare an

annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Review Committee, subject to the provisions of the Declaration. In addition, the Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes.

ARTICLE XI

BOOKS AND RECORDS

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

ARTICLE XII

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay assessments to the Association, which assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessment or portion thereof which is not paid when due shall be delinquent. Any assessment or portion thereof which is not paid within ten (10) days after the due date may bear interest from the due date at the rate of twenty-one percent (21%) per annum, or at such lesser rate as may be assessed by the Association, and the Association may assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessments as above provided, a reasonable attorneys' fee to be fixed by the Court, together with the costs of the action, and may include late charges. No Owner may waive or otherwise escape liability for the assessments provided for in the Declaration by not using the Common Area or by abandoning his Lot.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form and within its circumference the words: ORCHARD MEADOWS HOMEOWNERS ASSOCIATION, INC.

ARTICLE XIV

AMENDMENTS

Subject to Article XIII, Section 5(b) and Article XI of the Declaration, these 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.

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

ARTICLE XVI

FISCAL YEAR

The fiscal year of the 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 ORCHARD MEADOWS HOMEOWNERS ASSOCIATION, INC., have hereunto set our hands this _____ day of _____, 19_____.

DIRECTORS:

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of ORCHARD MEADOWS HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation, and

That the foregoing Bylaws constitute the Bylaws of said Association, as duly adopted at a duly called meeting of the Board of Directors thereof, held on the _____ day of _____, 1992.

In witness whereof, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 19__.

(Seal)

Secretary