

FIRST AMENDED BYLAWS
OF
PATTERSON GARDENS TOWNHOMES ASSOCIATION
A NONPROFIT CORPORATION

ARTICLE 1.
OFFICES

Section 1.1 PRINCIPAL OFFICE. The principal office of the corporation in the state of Colorado shall be located at 1441 Patterson Road, Suite 1005, Grand Junction, CO 81506. The corporation may have such other offices, either within or outside of the state of Colorado as the board of directors may designate, or as the business of the corporation may require from time to time.

Section 1.2 REGISTERED OFFICE. The registered office of the corporation, required by the Colorado Nonprofit Corporation Act to be maintained in the state of Colorado, may be, but need not be, identical with the principal office in the state of Colorado, and the address of the registered office may be changed from time to time by the board of directors.

ARTICLE 2.
MEMBERS

SECTION 2.1 MEMBERS. Every person or entity who is a record owner of a fee or undivided fee interest in any Unit in PATTERSON GARDENS TOWNHOMES, according to the recorded plat therefore recorded in the Plat Book of the Mesa County Clerk and Recorder, Mesa County, Colorado, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of any obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Association. When more than one person holds an interest in any Unit, the vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Unit.

SECTION 2.2 ANNUAL MEETING. The annual meeting of the members shall be held at such time on such day in Grand Junction, Colorado, as shall be established by the board of directors, commencing with the year 2008, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient.

SECTION 2.3 SPECIAL MEETINGS. Special meetings of the members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the president or by the board of directors, and shall be called by the president at the request of at least 20% of the members.

SECTION 2.4 MEETING OF ALL MEMBERS. If all of the members which are entitled to vote shall meet at any time and place, either within or outside the state of Colorado, and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any corporate action may be taken.

SECTION 2.5 ATTENDANCE AT MEETINGS; AGENDAS. All regular and special meetings of the Association's board, or any committee thereof, shall be open to attendance by all members of the Association or their representatives. Agendas for meetings of the board shall be made reasonably available for examination by all members of the Association or their representatives.

SECTION 2.6. NOTICE OF MEETINGS. Not less than fourteen (14) nor more than fifty (50) days in advance of any meeting of the Owners, the secretary or other officer or person designated by the board shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the Owner. The notice of any meeting of the Owners shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable, in addition to any electronic posting or electronic mail notices that may be given pursuant to this section. The notice shall state the 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, and any proposal to remove an officer or member of the board. The Association may provide all notices and agendas required by this article in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all regular and special meetings of Owners by electronic mail to all Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.

SECTION 2.7 QUORUM. Ten Percent (10%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at any meeting of members, except as otherwise provided by Colorado law and the articles of incorporation. In the absence of a quorum at any such meeting, a majority of the members present may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of members whose absence would cause there to be less than a quorum.

SECTION 2.8 PROXIES. Any member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Association. Each proxy shall be revocable and shall automatically expire upon the conveyance by the member of his or her Lot.

Section 2.9 MANNER OF ACTING. If a quorum is present, the affirmative vote of a majority of the members entitled to vote shall be the act of the members, unless the vote of a greater proportion or number or voting by classes is otherwise required by statute or by the articles of

incorporation or these bylaws. To the extent possible, all meetings of members shall be conducted in accordance with the procedural rules set forth in the most recent edition of Roberts' Rules of Order.

Section 2.10 VOTING. Unless otherwise provided by these bylaws or the articles of incorporation, the Owners of each Lot shall be entitled to one vote upon each matter submitted to a vote at a meeting of Members.

Section 2.11 INFORMAL ACTION BY MEMBERS. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

Section 2.12 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote, except for contested positions on the board or at the discretion of the board, or on any other matter upon the request by at least 20 % of the members who are present in person or by proxy if a quorum exists. Such vote shall be by secret ballot.

ARTICLE 3. BOARD OF DIRECTORS

Section 3.1 GENERAL POWERS. The business and affairs of the Association shall be managed by its board of directors, which shall include, but not be limited to:

- a. adopting and publishing rules and regulations governing the use of the Common Elements and facilities, and the personal conduct of the members, occupants and their guests thereon, and establishing penalties for the infraction thereof;
- b. suspending the voting rights and right to use of the recreational facilities of a member during any period in which such member is in default in the payment of any assessment levied by the Association or for any violation of any rule, regulation or policy of the Association. Any member who is in default shall be notified in writing at least ten (10) days before such member's privileges are suspended. A member may appeal such suspension by filing a written request therefor to the board stating the reason why the suspension should not apply. Thereafter, the board may meet and decide the matter based on the written request of the member. If it decides to revoke the suspension it shall send a written notice thereof to the member. If the board does not revoke the suspension it shall notify the member that a hearing has been scheduled to hear the matter before the board and advise the member of the date, time, and place of such hearing. Such hearing shall be held within a reasonable time. Suspensions due to the failure to pay amounts due to the Association shall be revoked automatically upon full payment by a member. Any term of suspension for any other violation shall be determined by the Board in its sole discretion.

- c. exercising for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these bylaws, the articles of incorporation or the declaration;
- d. declaring the office of a member of the board of directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the board of directors; and
- e. employing a manager, an independent contractor, or such other employees as they deem necessary and prescribing their duties.

Section 3.2 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 to 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 any member;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. as more fully provided in the declaration, to:
 - (1) timely adopt a budget and submit it to the Owners for approval, which shall include the amount of the annual assessment against each Lot;
 - (2) timely send written notice of each assessment to every Owner subject thereto in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not timely paid or to bring an action at law against the owner personally obligated to pay the same.
- d. issue, or to cause an appropriate officer to issue, upon demand by any person, a statement setting forth whether or not any assessment has been paid. A reasonable charge may be made by the board for the issuance of such statement. If a statement shows an assessment has been paid, such statement shall be conclusive evidence of such payment;
- e. procure and maintain adequate liability and hazard insurance on property owned by the Association. Premiums for fire and liability insurance with replacement costs and extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all the townhome units (including all fixtures; interior walls and partitions; decorated and finished surfaces of perimeter walls, floors and ceilings; doors, windows and other elements or materials comprising a part of the units); casualty and public grounds; and common lighting and heating shall be the

responsibility of the Association. Premiums for insurance coverage on the furnishings and other items of property belonging to an owner/occupant and casualty and public liability insurance coverage within each individual unit shall be the responsibility of the owner/occupant thereof;

f. cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

g. cause the Common Elements to be maintained;

h. cause the exteriors of the homes situated upon the properties to be maintained, as required in Article V of the Declaration of Covenants, Conditions and Restrictions; and

i. cause members who lease or rent their Property to provide in such lease that the terms of the lease and occupancy of the Property shall be subject to the provisions of the Bylaws, Declaration, Policies and Rules and Regulations of the Association and that a failure by such lessee to comply with the terms thereof shall be a default under the lease.

Section 3.3 PERFORMANCE OF DUTIES. A director of the Association shall perform his or her duties as a director, including his or her duties as a member of any committee of the board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Association, and with such judgment as an ordinarily prudent person in a like position would use under similar circumstances. In performing his or her duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in paragraphs (a), (b), and (c) of this Section 3.3; but he or she shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A person who so performs his or her duties shall not have any liability by reason of being or having been a director of the Association. Those persons and groups on whose information, opinions, reports, and statements a director is entitled to rely upon are:

a. One or more officers or employees of the Association whom the director reasonably believes to be reliable and competent in the matters presented;

b. Counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such persons' professional or expert competence; or

c. A committee of the board upon which he or she does not serve, duly designated in accordance with the provision of the articles of incorporation or the bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

Section 3.4 NUMBER, TENURE AND QUALIFICATIONS. The number of directors of the corporation shall be as determined by the members of the Association at the annual meeting. Each

director shall hold office until his or her successor shall have been appointed and qualified. Directors need not be residents of the state of Colorado; however, two thirds of the directors must be members of the Association. The number of directors should, but is not required to be, an odd number. Each Director shall serve for a period of three years.

Section 3.5 REGULAR MEETINGS. The board of directors shall provide, by resolution, the time and place, either within or without the state of Colorado, for the holding of *regular meetings* without other notice than such resolution.

Section 3.6 SPECIAL MEETINGS. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the board of directors may fix any place, within the state of Colorado, as the place for holding any special meeting of the board of directors called by them.

Section 3.7 NOTICE. Written notice of any special meeting of directors shall be given as follows: By mail or email to each director at his or her business address at least three days prior to the meeting; or by personal delivery at least twenty-four hours prior to the meeting to the business address or residence address of each director, or in the event such notice is given on a Saturday, Sunday or holiday, to the residence address of each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any agenda stating the business to be transacted at, or the purpose of, any regular or special meeting of the board of directors shall be specified in the notice. Members may attend such meetings and shall be provided an agenda upon request.

Section 3.8 QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, but if less than such number is present at a meeting either in person or by proxy, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 3.9 MANNER OF ACTING. Except as otherwise required by law or by the articles of incorporation, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors. To the extent possible, all meetings of the board of directors shall be governed by the procedural rules set forth in the most recent edition of Roberts' Rules of Order.

Section 3.10 INFORMAL ACTION BY DIRECTORS. Any action required or permitted to be taken by the board of directors or by a committee thereof at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors or all of the committee members entitled to vote with respect to the subject matter thereof.

Section 3.11 PARTICIPATION BY ELECTRONIC MEANS. Any members of the board of directors or any committee designated by such board may participate in a meeting of the board of directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 3.12 VACANCIES. Any vacancy occurring in the board of directors may be filled by appointment by the remaining board of directors. A director appointed to fill a vacancy shall serve until his or her successor is appointed for the unexpired term of his or her predecessor in office.

Section 3.13 RESIGNATION. Any director of the corporation may resign at any time by giving written notice to the president or the secretary of the corporation. The resignation of any director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.14 REMOVAL. Any director or directors of the corporation may be removed at any time, with or without cause, in the manner provided in the Colorado Nonprofit Corporation Act or other applicable statute.

Section 3.15 COMMITTEES. By resolution adopted by a majority of the board of directors, the directors may designate two or more directors to constitute a committee, any of which shall have such authority in the management of the corporation as the board of directors shall designate and as shall be prescribed by the Colorado Nonprofit Corporation Act.

Section 3.16 COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the board of directors a fixed sum and expenses of attendance at each meeting and may be paid for attendance at each meeting of the board of directors; but nothing herein shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

Section 3.17 PRESUMPTION OF ASSENT. A director of the corporation who is present at a meeting of the board of directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

ARTICLE 4. OFFICERS

Section 4.1 NUMBER. The officers of the corporation shall be President, Vice President,

Secretary and Treasurer, and such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. The President, Vice-President and Treasurer shall be members of the Association. Any two or more offices may be held by the same person, except that the office of President and Treasurer shall not be held by the same person

Section 4.2 ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected at the meeting of the board of directors of the Association following the annual *meeting of* the members. If the elections of officers are not held at such meetings, such elections shall be held as soon thereafter as practicable. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

Section 4.3 REMOVAL. Any officer or agent may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, 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 of itself create contract rights.

Section 4.4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 4.5 PRESIDENT. The president shall be the chief executive officer of the corporation and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the corporation. He or she shall, when present, and in the absence of a chairman of the board, preside at all meetings of the members and of the board of directors. He or she may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of directors, deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 4.6 VICE PRESIDENT. The vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall, in the absence of the president or in the event of his or her death, inability or refusal to act, perform all duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.7 SECRETARY. The secretary shall: (a) keep the minutes of the proceedings of the members and of the board of directors in one or more books provided for that purpose; (b) see that

all notices are duly given in accordance with the provision of these bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents the execution of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member; and (e) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.8 TREASURER. The treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article 5 of these bylaws; and (c) in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him or her by the president or by the board of directors.

Section 4.9 ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the board of directors.

Section 4.10 BONDS. If the board of directors by resolution shall so require, any officer or agent of the corporation shall give bond to the corporation in such amount and with such surety as the board of directors may deem sufficient, conditioned upon the faithful performance of their respective duties and offices.

Section 4.11 SALARIES. The officers shall serve without salary.

Section 4.12 LOANS TO OFFICERS. No loans shall be made by the Association to any officer or director of the Association.

ARTICLE 5. INDEMNIFICATION

Each officer and director of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, or any settlement thereof, reasonably incurred by or imposed upon him/her in any proceedings to which he/she may be a party, or in which he/she may become involved by reason of his/her being or having been an officer or director of the Association, whether or not he/she is an officer or director of the Association at the time such expenses are incurred, except in such cases wherein such officer or director is adjudged guilty of willful malfeasance in the performance of his/her duties; provided that in the event of a settlement, the indemnification shall apply only when the board of directors approves such settlement and reimbursement as being in the best interest of the Association.

ARTICLE 6.
CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 6.1 CONTRACTS. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 6.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

Section 6.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the board of directors.

Section 6.4 DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the board of directors may select.

Section 6.5 GIFTS. The board of directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes of or for any special purposes of the Association.

Section 6.6 MINOR PURCHASES. Any board member may make purchases for the benefit of the Association of items valued equal to or less than an amount set by the board without prior board approval.

ARTICLE 7.
NONDISCRIMINATION

The officers, directors, committee members, employees and persons served by this corporation shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin and sexual orientation.

ARTICLE 8.
BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the board of directors and committees having any of the authority of the board of directors.

ARTICLE 9.
FISCAL YEAR

The fiscal year of the corporation shall end on the last day of December in each calendar year.

ARTICLE 10.
CORPORATE SEAL

The board of directors may provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the words "CORPORATE SEAL".

ARTICLE 11.
WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these bylaws or under the provisions of the articles of incorporation or under the provisions of the Colorado Nonprofit Corporation Act, or otherwise, a waiver thereof in writing, signed by the person or person entitled to such notice, whether before or after the event or other circumstance requiring such notice, shall be deemed equivalent to the giving of such notice.


ARTICLE 12.
AMENDMENTS

These bylaws may be altered, amended or repealed and new bylaws may be adopted by a majority of the directors present at any meeting of the board of directors at which a quorum is present.

CERTIFICATE

I hereby certify that the foregoing bylaws, consisting of eleven (11) pages, including this page, constitute the bylaws of PATTERSON GARDENS TOWNHOMES ASSOCIATION, adopted by the board of directors of the corporation as of ~~May 28~~, 2008.

~~September~~


Secretary