

AMENDED BY-LAWS OF
PARADISE HILLS FILING NO. 6
HOMEOWNER'S ASSOCIATION

THIS AMENDMENT, made on the date hereafter set forth below, deletes in its entirety the previous approved By-Laws of Paradise Hills Filing No. 6 and replaces the document with this updated By-Laws document.

ARTICLE I

Name and Location. The name of the corporation is Paradise Hills Filing No. 6 Homeowner's Association, hereinafter referred to as the "Association." There is no principal office of the corporation, but meetings of Members and directors may be held at such places within the State of Colorado, County of Mesa, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Association" shall mean and refer to Paradise Hills Filing No. 6 Homeowners Association, its successors and assigns.

Section 2. "Board" or "Board of Directors" shall mean three persons elected or appointed as directors of the Association and acting collectively as the Board of Directors of the Association. The offices of the President of the Association and the Vice President of the Association, in addition to one independent Director shall comprise the Board of Directors.

Section 3. "Common Property" shall mean all property owned by the Association for the common use and enjoyment of the Owners. Property owned by the Association at the time of the effective date of these By-Laws is a pressurized pipeline irrigation system, together with shares of the Grand Valley Irrigation Company.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Clerk and Recorder of Mesa County, Colorado.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Property.

Section 7. "Member" shall mean and refer to those persons entitled to Membership as provided in the Declaration. (Also referred to as Association Members or Members of the Association.)

Section 8. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 9. “Properties” shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

Meeting of Members

Section 1. Annual Meetings. Annual meetings of the Association Members shall be held during the first quarter of each calendar year for the purpose of reviewing the finances of the Association, discussing any business related to the Association, including improvement/repairs of Community Property and/or any single expenditure in excess of \$1000.

Section 2. Special Meetings. A special meeting may be called by (i) the President or the Board of Directors of the Association or (ii) upon written request of twenty-five percent (25%) of the Association Members.

Section 3. Notice of Meetings. Written notice of each meeting of the Association Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing or personally delivering a copy of such notice, not less than ten (10) calendar days nor more than forty-five (45) calendar days in advance of the meeting. 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 a meeting of Association Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes shall constitute a quorum for any action except as otherwise provided in these By-Laws, the Articles of Incorporation, or the Declaration. If, however, such quorum shall not be present or represented at any meeting, the Association Members entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum as aforesaid shall be presented or be represented. For votes on financial issues (e.g., raising the annual dues by more than 5% in one year, authorizing a special assessment) the presence of Association Members or of proxies entitled to cast sixty percent (60%) of all the votes of Association Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting.

Section 5. Proxies. At all meetings of Association Members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Lot Owner.

ARTICLE IV

Board of Directors: Selection and Term of Office

Section 1. Number. A Board of three directors shall manage the affairs of this Association. Such directors shall be Members of the Association.

Section 2. Term of Office. At each annual meeting, the Members shall elect one director for the term of three years. The current officers in the position of President and Vice President shall at all time be members of the Board of Directors.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the un-expired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his 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 the directors. Any action so approved shall have the same effect as though taken at the meeting of the directors.

ARTICLE V

Nominations and Election of Directors

Section 1. Nominations. A Nominating Committee shall make nominations for election to the Board of Directors. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Board of Directors prior to each annual meeting shall appoint the Nominating Committee until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall, in its discretion determine, but not less than the number of vacancies that are to be filled.

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

ARTICLE VI

Meeting of Directors

Section 1. Annual Meeting. The Board of Directors shall meet at least once annually.

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) calendar day's 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 the power to:

- (a) exercise 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 By-Laws, the Articles of Incorporation, or the Declaration;
- (b) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from two (2) annual meetings of the Board of Directors; and
- (c) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 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 (if any), and to see that their duties are properly performed;

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

- 1) fix the amount of the periodic assessment against each Lot at least thirty (30) days in advance of each periodic assessment period;
- 2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each periodic assessment period; and
- 3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;
- 4) issue, or to cause an appropriate officer 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 an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- 5) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- 6) cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;
- 7) cause the Common Property to be maintained.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Officers. The officers of the Association shall be a president, vice president, secretary, treasurer, and other such officers as the Board may from time to time by resolution create. The President and Vice President shall at all times be Members of the Board of Directors.

Section 2. Election of Officers. The election of officers shall take place at the annual meeting of the Association Members.

Section 3. Term. The officers of the Association shall hold office for a term of three (3) years unless he or she shall sooner resign or shall be removed or otherwise disqualified to serve. Officers may serve for more than one consecutive term, if so elected by the Association Members.

Section 4. Special Appointments. The Board 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 resign at any time by giving written notice to the Board of Directors. 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. The Board may remove any officer from office with or without cause.

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 un-expired term of the officer replaced.

Section 7. Multiple Offices. The same person may hold the offices of secretary and treasurer. 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. An officer of the Association may also be elected to the Architectural Control Committee.

Section 7. Officer Duties. The duties of the officers are as follows:

- (a) **President.** The president shall preside at all meetings of the Board of Directors and the annual meeting of the Association Members and shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and co-sign all promissory notes.
- (b) **Vice President.** The vice president shall act in the place 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 by the Board.
- (c) **Secretary.** The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meeting of the Board and of the Members; and, perform such other duties as may be required by the Board or by law.
- (d) **Treasurer.** The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; shall keep proper books of account; keep appropriate current records showing the Members of the Association together with their addresses; shall prepare an annual statement of income and expenditures, give a report on the financial status of the Association at the regular annual meeting; shall prepare required filings with federal, state, and local governments, or agencies, as required; and, perform other duties as may be required by the Board or by law.

Article IX

Committees

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Article X

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any Member and copies may be purchased at a reasonable cost.

Article XI

Assessments

As more fully provided in the Declaration, each Member is obligated to pay to the Association periodic and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments, which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of the delinquency at the rate of twelve percent (12%) per annum, and personally obligated to pay the same or foreclose the lien against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Property or abandonment of his Lot.

Article XII

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: Paradise Hills Filing No. 6 Homeowner's Association.

Article XIII

Amendments

Section 1. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of the quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Effective Date _____, 2006

Seal of the Corporation
Paradise Hills Filing No. 6
Homeowner's Association
A nonprofit Corporation

Summary of Changes

Amendment dated _____, 2006

- Deleted references to a principal office of the Association.
- Deleted references to Declarant and Paradise Hills Partnership as this entity no longer exists. Deleted other requirements that required only when the Partnership was in existence.
- Modified annual meeting requirements and notice of meeting requirements.
- Modified to reflect that Directors must be Members of the Association.
- Deleted the requirement for secret written ballot for election of Directors.
- Revised the term for officers of the Association to reflect current practice.
- Deleted the requirement for president to co-sign all checks.
- Delete the requirement for an annual audit of the books by a public accountant at the completion of each fiscal year.
- Revise who is responsible for maintaining a current roster of Members
- Add requirement for preparing filings with federal, state, and local governments or agencies, as required.