

BYLAWS
OF
HIGH POINTE ESTATES HOMEOWNERS ASSOCIATION
(a Colorado Nonprofit Association)

ARTICLE I

Name and Purpose of Association

Section 1. Name. The Association shall be known as the High Pointe Estates Homeowners Association.

Section 2. Purposes. The Association is organized for the purposes set forth in the Association's Articles of Incorporation and the purpose of performing the Association's obligations as set forth in the recorded Declaration for High Point Estates Subdivision ("Declaration"), which include administration and maintenance of the common elements and irrigation systems. It is intended that the Association shall operate in accordance with the Colorado Common Interest Ownership Act ("CCIOA").

ARTICLE II

Offices

Section 1. Principal Office. The principal office of the Association in the State of Colorado shall be located in the City of Grand Junction, County of Mesa. The Association may have such other offices, either within or without the State of Colorado, as the Board of Directors may designate or as the business of the Association may require from time to time.

Section 2. Registered Office. The registered office of the Association, required by the Colorado Nonprofit Corporation Act to be maintained in the State of Colorado, may be, but need not be identical to 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 III

Meetings of Members

Section 1. Annual Meetings. The annual meeting of the members of the Association as defined in the Declaration, Article IV, shall be held on the third Wednesday in the month of March

at the hour of 7:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President, by a majority of the Board of Directors, or upon written request of the members having twenty percent (20%) of the votes of the Association.

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 ten (10) days and not more than fifty (50) days in advance of such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member in writing to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and those matters required to be in such notice by C.R.S. 38-33.3-308(1).

Section 4. Quorum. The presence at the commencement of any meeting of members entitled to cast, or of proxies entitled to cast, forty percent (40%) of the votes of the Association shall constitute a quorum for any action taken at that meeting 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 thereat shall have power to adjourn the meeting from time to time, without notice, other than announcement at the meeting. No such adjourned meeting shall be held more than sixty (60) days following the preceding 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. Every proxy shall be revocable and shall automatically cease upon the first to occur of the conveyance by the member of the member's Lot or eleven (11) months after the execution of the proxy.

ARTICLE IV

Board of Directors

Section 1. General. The government of the affairs and property of the Association shall be vested in an executive board, herein the "Board of Directors", of not less than three members. Directors must be an Owner (as defined in Article I of the Declaration), the spouse of an Owner or a manager, assistant manager, member, director, shareholder, trustee, officer, or general partner of a legally constituted entity that is an Owner. The number of directors may be increased or decreased (but not below three) by resolution of the Board of Directors but no decrease in the number of directors shall have the effect of shortening the term of any incumbent director.

Section 2. Service. Directors shall assume their duties as of the day elected. All board members shall serve until their successors have been elected and qualified.

Section 3. Election and Vacancies. When a vacancy occurs, a new member of the Board of Directors shall be elected by a majority of the current Board of Directors. Such replacement director shall complete the term of office of the director replaced.

Section 4. Tenure. At the first annual meeting, 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. At each annual meeting thereafter, the members shall elect one director to fill the vacancy for a term of three years.

Section 5. Powers of the Board. The Board of Directors shall have the general charge of the affairs and property of the Association in accordance with the Declaration, Articles of Incorporation, Bylaws and the laws of Colorado. It shall have the power to adopt such rules and regulations, consistent with CCIOA, the Declaration, Articles of Incorporation and Bylaws, and to enforce and amend the same as it deems necessary for the government of the Association. The Directors may exercise all the powers of the Association, do all acts or things necessary to carry out the purposes of the Association, including but not limited to the election of officers, the filling of interim vacancies on the Board of Directors, the appointment of committees, and the directing of activities of the Association.

Section 6. Election of Officers; Term. At every annual Board meeting, the Board of Directors shall elect from amongst the Board of Directors, for a term of one (1) year or until a successor is qualified and elected, a President, a Vice President, a Secretary and Treasurer or a Secretary/Treasurer, who may be the same person.

Section 7. Employees. Should it become desirable or necessary that the Association have any paid employees, the Board of Directors shall have the power to employ such employees, to determine their duties and to fix their wages or salaries and other remunerations. The Board of Directors may hire an Association Chief Executive Officer for such length of time and for such remuneration as may be determined by the Board of Directors. In addition, the Board of Directors may from time to time hire professional or other services as may be determined by the Board of Directors to be necessary.

Section 8. Records. The Board of Directors shall keep accurate records of their meetings and activities.

Section 9. Funds. The Board of Directors shall have the power to direct the expenditure of funds to the extent of the amount in the Association treasury or owing to the Association; to direct the making of contracts on behalf of the Association, and to obtain insurance for the Association, its directors or officers. Directors may be reimbursed for out-of-pocket expense and may be paid a reasonable fee for their services to the Association to the extent authorized by the majority vote of the members attending a membership meeting at which a quorum exists at the time of such vote.

Section 10. Irrigation System. The Board of Directors shall have the power to:

- (a) fix the amount of, and send notice to each member of, the annual assessment against each Lot, as defined in Article I of the Declaration, at least thirty (30) days in advance of its due date;
- (b) adopt and publish rules and regulations governing the use of the irrigation system and facilities;
- (c) suspend the use of the irrigation system of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Services shall be promptly restored after payment of the assessment; and
- (d) 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.

Section 11. Resignation and Removal. If a member of the Board desires to resign, he shall do so in writing, addressed to the Secretary. A Director may be removed as provided in Article IV of the Declaration.

Section 12. Presumption of Assent. A Director of the Association 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 dissent shall be entered in the minutes of the meeting or unless he shall file his 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 Association 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 V

Meetings of Directors

Section 1. Annual Meeting. The annual meeting of the Board of Directors shall be held on the third Wednesday in March of each year at such time and place as may be designated by the Board of Directors. A quorum for the transaction of business at the annual meeting shall consist of no less than one-half of the Board of Directors.

Section 2. Special Meetings. Special meetings may be called by the President of the Board of Directors, and shall be called within 14 days after a written request by one-third of the members of the Board of Directors. Written or telephone notice of a special meeting shall be given to each member of the Board of Directors at least three (3) days before the date of such meeting. The notice of the meeting shall state the time and place of the meeting and

describe the business to be transacted at the meeting; no business other than that stated in the notice shall be transacted at a special meeting. A quorum for a special meeting of the Board of Directors shall be one-half of the Board of Directors.

Section 3. Attendance in Person. To the extent permitted by Colorado law, action may be taken without a meeting upon the unanimous consent of the Directors.

Section 4. Waiver of Notice. Whenever any notice is required to be given to a Director of the Association or any other person under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or Declaration or under the provision of the Colorado Corporation Code, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE VI

Officers

Section 1. President. The President (or in his absence, the Vice President) shall preside at all meetings, appoint all standing committees, call special meetings of the Association and perform all duties usually pertaining to the office of President. The President is empowered to execute all papers requiring execution in the name of the Association except notes, bonds and other evidence of debt, deeds conveying real estate, bills of sale, mortgages or other pledges of any or all of the Association's property, real or personal, and amendments to the Declaration, in which case specific authorization of the Board of Directors shall be required and the Secretary and Treasurer are empowered to acknowledge any such instruments as fully as if such authority were granted in each particular instance.

Section 2. Vice President. In the absence or disability of the President, the Vice President shall preside at all meetings of the Association and of the Board and shall perform such other duties as the President and the Board of the Association may prescribe. The Vice President shall also perform such duties as may be delegated from time to time by the President or as directed by the Board of Directors.

Section 3. Secretary. The Secretary shall keep the records of all meetings of the members and of the Board of Directors; shall give notice of all regular and special meetings to the members of the Board of Directors of the meeting of said Board; shall keep a record of all officers and members of the Association and their addresses; shall also be charged with the performance of any duties in these Bylaws imposed upon the Secretary or such additional duties as the Secretary may be directed to perform from time to time by the Board of Directors.

Section 4. Treasurer. The Treasurer shall cause to be collected, held and disbursed, under the direction of the Board of Directors of the Association, all monies of the Association; be charged with the duty of collection of all monies due to the Association from all sources; keep or cause to be kept regular books of account and submit a statement of his or her accounts

at the regular meeting of the Board of Directors, as requested; exhibit to the Board of Directors before each annual meeting a full accounting of the receipts and disbursements during the fiscal year; and keep or cause to be kept records of all of the disbursements made during the fiscal year. The Board of Directors shall examine said report. The Treasurer shall deposit all monies of the Association in the name of the Association with such bank or banks as shall from time to time be designated by the Board of Directors.

Section 5. Removal. Any officer of the Association may be removed in accordance with this Section 5. Two weeks prior notice of the meeting at which the officer's removal will be considered will be given to the officer and to the Board of Directors. At such meeting, the officer may be represented by counsel and oppose such removal. A decision to remove an officer may be made only upon the affirmative vote of two-thirds of the entire Board of Directors.

ARTICLE VII

Miscellaneous

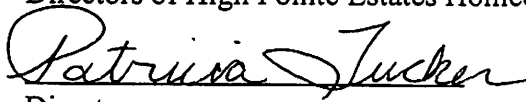
Section 1. To the fullest extent permitted by the laws of the State of Colorado and the Articles of Incorporation, the Association has the power to indemnify current or former directors, officers, employees and agents.

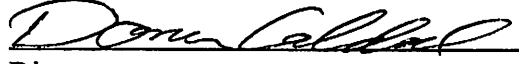
Section 2. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy. However, amendment as to areas required by the United States Department of Housing and Urban Development shall require the approval of HUD and a two-thirds majority of all members during the first year of operation, and a two-thirds majority of all members thereafter.

Section 3. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. The Declaration shall control over both the Articles of Incorporation and the Bylaws.


Secretary

ADOPTED by the members of High Pointe Estates Subdivision and by the Board of Directors of High Pointe Estates Homeowners Association.


Director


Director


Director