

**BYLAWS
OF
ROLLING HILLS RANCH MASTER ASSOCIATION**

ARTICLE 1

DEFINITIONS

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

1.2 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. Because the Members of the Master Association act in all Master Association matters through their elected Neighborhood Representatives as provided in the Declaration and the Master Association Articles of Incorporation, and because the Neighborhood Representatives for each Neighborhood are elected by the Members within that Neighborhood, the annual meeting for the Members of the Master Association shall consist of the annual membership meetings of each constituent Neighborhood Subassociation at which the Neighborhood Representatives are elected to serve on the Master Association Executive Board. In addition to electing Neighborhood Representatives at the annual meeting, Members may transact such other business as may properly come before the meeting. The annual meetings of the Neighborhood Subassociations shall be held in accordance with the Bylaws of each Subassociation. At such meetings, candidates for Neighborhood Representatives may be nominated from the floor.

2.2 Budget Meetings. Meetings for consideration of the Master Association budget shall be held as provided in Article 6.2 of the Declaration.

2.3 Special Meetings. As with the annual meeting, special meetings of the Members shall be held at the Neighborhood level on a Neighborhood by Neighborhood basis. Special meetings of Members in any Neighborhood may be called by the Neighborhood Representative representing that Neighborhood, by the Master Association Executive Board, or by those Members (excluding Declarant) comprising of at least 20% of the votes of Members within a given Neighborhood.

2.4 Place of Meetings. The meetings of the Members shall be held at any suitable place convenient to the Members as may be designated by the Executive Board of the Neighborhood in which the meeting is to be held.

2.5 Notice of Meetings and Waiver of Notice. Notice of meetings of the Members and the waiver of such notice shall be in accordance with the provisions of the Bylaws of the Subassociation for the Neighborhood in which any meeting is to be held, which provisions are incorporated by reference.

2.6 Quorum. The quorum requirements for meetings of the Members shall be in accordance with the provisions of the Bylaws of the Subassociation for the Neighborhood in which any meeting is to be held, which provisions are incorporated by reference.

2.7 Proxies. The proxy voting requirements for meetings of the Members shall be in accordance with the provisions of the Bylaws of the Subassociation for the Neighborhood in which any meeting is to be held, which provisions are incorporated by reference.

2.8 Eligibility to Vote. Persons eligible to vote are Members of the Master Association who are in compliance with the assessment payment provisions and other provisions of the Declaration and any duly adopted rule or regulation.

2.9 Suspension of Voting Rights. The Master Association Executive Board may suspend, after notice and hearing, the voting rights of a Member during and for up to sixty days following any violation by such Member or such Member's tenant, guest or invitee of any provision of the Declaration or of any duly adopted rule or regulation.

2.10 Other Provisions. Any other provisions relating to meetings of the Members not otherwise set forth in the Declaration or the Master Association Articles of Incorporation shall be as set forth in the Bylaws of the Subassociation for the Neighborhood in which any meeting is to be held, which provisions are incorporated by reference.

ARTICLE 3

EXECUTIVE BOARD

3.1 Powers and Duties. The business affairs of the Master Association shall be governed by the Executive Board. The Executive Board may act in all instances on behalf of the Master Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board may not act on behalf of the Master Association to amend the Declaration, to terminate the Common Interest Community, or to elect Neighborhood Representatives or determine the qualifications, powers and duties, or terms of office of Neighborhood Representatives, 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 Master Association, including without limitation the following powers and duties:

- 3.1.1 Adopt and amend rules and regulations;
- 3.1.2 Prepare budgets for revenues, expenditures and reserves;
- 3.1.3 Adopt and amend budgets for revenues, expenditures and reserves;
- 3.1.4 Collect assessments for Common Expenses from Owners;
- 3.1.5 Hire and discharge managing agents;
- 3.1.6 Hire and discharge employees, independent contractors and agents other than managing agents;
- 3.1.7 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 Master Association's name, on behalf of the Master Association or two or more Owners on matters affecting the Common Interest Community;
- 3.1.8 Make contracts and incur liabilities;
- 3.1.9 Regulate the use, maintenance, repair, replacement and modification of Common Elements;
- 3.1.10 Cause additional improvements to be made as a part of the Common Elements;
- 3.1.11 Acquire, hold, encumber and convey, in the Master 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;
- 3.1.12 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;
- 3.1.13 Impose and receive a payment, fee or charge for services provided to Unit Owners and for the use, rental or operation of the Common Elements;
- 3.1.14 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 Master Association;

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

3.1.16 Provide for the indemnification of the Master Association's officers and the Executive Board and maintain Neighborhood Representatives' and officers' liability insurance;

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

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

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

3.1.20 By resolution, establish committees of Neighborhood Representatives, 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 Owners and the Executive Board. However, actions taken by a committee may be appealed to the Executive Board by any Owner 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 two persons. Following such date, the Executive Board shall consist of two Neighborhood Representatives from each Neighborhood within the Master Association Area with the total number of such Neighborhood Representatives on the Executive Board not to be less than two nor more than fifteen. Each Neighborhood Representative shall be a natural person who is an Owner of a Unit within the Neighborhood which he or she represents.

3.3 Terms of Office. The terms of office of the initial Executive Board members named in the Articles of Incorporation or any other Executive Board members appointed by the Declarant shall be for the period until their successors are elected by the Members. The terms of any Neighborhood Representatives elected at the annual meeting by the Owners in their Neighborhood shall be for one year, and each Neighborhood Representative shall serve on the Executive Board until the next annual membership meeting of the Neighborhood or until such person's successor is elected and qualified.

3.4 Voting. In voting on all Executive Board matters, each Neighborhood Representative shall be entitled to cast the number of votes allocated to that Representative from his or her Neighborhood as described in Article 4.5 of the Declaration and Article 7.5 of the Articles of

Incorporation. The manner in which each Neighborhood Representative shall cast his or her votes shall be as described in Article 4.5 of the Declaration and Article 7.6 of the Articles of Incorporation.

3.5 Removal. At any meeting of Members within a specific Neighborhood, the notice of which indicates such purpose, the Neighborhood Representative representing that Neighborhood may be removed, with or without cause, by a vote of the majority of the votes of Members present at such meeting in person or by proxy. At that same meeting, a successor may be elected to fill the vacancy created.

3.6 Resignation. Any Neighborhood Representative may resign at any time by giving written notice to the President or the Executive Board stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

3.7 Vacancies. Vacancies on the Executive Board, caused by any reason other than the removal of a Neighborhood Representative by a vote of the Owners, 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 Neighborhood Representatives present at that meeting may constitute less than a quorum. The filling of vacancies shall be made in the following manner:

3.7.1 As to vacancies of Neighborhood Representatives whom Owners other than the Declarant elected, by a majority of the remaining elected Neighborhood Representatives constituting the Executive Board; and

3.7.2 As to vacancies of Neighborhood Representatives whom the Declarant has the right to appoint, by the Declarant.

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

3.8 Annual Meetings. Annual meetings of the Executive Board shall be held on such date, at such time and location as determined by the Executive Board, provided that the annual meeting date (a) shall be at least fifteen days after the last of the annual meetings of Neighborhoods in that year so that notice of the annual meeting may be given to the Neighborhood Representatives elected at the annual Neighborhood meetings, and (b) shall also be not more than sixty days after the Executive Board mails or delivers the annual budget summary to the Members as provided in Article 6.2 of the Declaration. At the annual meeting of the Executive Board, the Neighborhood Representatives shall elect officers of the Master Association, consider ratification of the proposed budget, and transact such other business as may properly come before the meeting. Written notice of the annual meeting of the Executive Board shall be given to the Neighborhood Representatives via hand delivery or U.S. mail, first class postage prepaid, not less than ten days in advance of the meeting. Notice shall be deemed given as provided in Article 7.1.

3.9 Special Meetings. Special meetings of the Executive Board may be called by the president or by a majority of the Neighborhood Representatives on at least five business days' written notice to each Neighborhood Representative. The notice shall be hand-delivered or mailed via U.S. mail, first class postage prepaid, and shall state the time, place and purpose of the meeting. Notice shall be deemed given as provided in Article 7.1.

3.10 Proxies. A Neighborhood Representative shall not be entitled to vote by proxy at any Executive Board meeting.

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

3.12 Quorum. At all meetings of the Executive Board, a majority of the Neighborhood Representatives shall constitute a quorum for the transaction of business, and the votes of a majority of the Neighborhood Representatives 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. Neighborhood Representatives present at a duly organized meeting of the Executive Board may continue to transact business until adjournment, notwithstanding the withdrawal or departure of Neighborhood Representatives 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.

3.13 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, 3.1.6 and 3.1.9 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:

3.13.1 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;

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

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

3.14 Compensation. No Neighborhood Representative shall receive compensation for serving as a member of the Executive Board. Neighborhood Representatives 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 Master 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 Neighborhood Representatives. 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 Master Association shall be elected annually by the Executive Board at the annual meeting of the Executive Board. 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 Neighborhood Representatives, 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 members of the Executive Board.

4.5 President. The president shall be the chief executive officer of the Master 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 Master 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 Neighborhood Representative 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 Executive Board. The secretary shall have charge of the Master 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 Master Association, following authorization or approval of the particular amendment as applicable.

4.8 Treasurer. The treasurer shall be responsible for Master 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 Master 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 Master 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 Master Association, stock, securities or other investment instruments owned or controlled by the Master Association or as fiduciary for others. Reserve funds of the Master 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.

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 Master Association shall be executed by the officer or officers of the Master Association, or such other person or persons, as may be designated by resolution of the Executive Board.

4.10 Compensation. No Neighborhood Representative shall receive compensation for serving as an officer of the Executive Board. An officer may 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 Neighborhood Representatives and officers of the Master Association shall be entitled to indemnification by the Master 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 Master 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 Master 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 Master Association, or to such other address as the Executive Board may designate by written notice to all Owners and to all holders of Security Interests in the Units who have notified the Master Association that they hold a Security Interest in a Unit. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Master 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 Master 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 Master 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 the annual or any special meetings of the Members within all of the Neighborhoods comprising the Master Association by a vote of a majority of a quorum of Members present in person or by proxy at each Neighborhood meeting, 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 Master Association shall be adopted which would affect or impair the validity or priority of any Security Interest in any Unit.

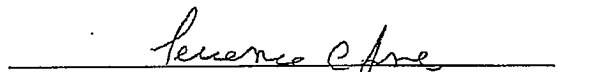
ARTICLE 9

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 Neighborhood Representatives of Rolling Hills Ranch Master Association have adopted these Bylaws this 25 day of August, 1997.


Bruce Gillam, Neighborhood Representative


Terrence A. Jones, Neighborhood Representative

