

FIRST AMENDED BYLAWS OF
THE SUMMIT RESIDENTIAL OWNERS ASSOCIATION, INC.,
a Colorado non-profit corporation

ARTICLE I

Section 1. Purposes and Objects. The purpose for which this non-profit corporation is formed is to govern the subdivision subject to the Declaration of Protective Covenants for The Summit - Residential Filing No. 1, recorded in Book 707 at Page 832, Filing No. 2, recorded in Book 759 at Page 326, and Filing No. 3, recorded at Reception No. 489270 of the records of Gunnison County, Colorado (hereinafter "Protective Covenants").

Section 2. Compliance. All present or future owners, tenants, future tenants or any other person who might use the facilities of the subdivision in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the lots of the subdivision or the mere act of occupancy of such lots will signify that these Bylaws are accepted, ratified and will be complied with.

Section 3. Name. The name of this non-profit corporation shall be The Summit Residential Owners Association ("Association").

ARTICLE II

Membership

Section 1. Automatic Membership. The owner of a lot, upon becoming such owner, is entitled to be, and shall be required to be, a member of the Association and shall remain a member for the period of his or her ownership.

Section 2. One Membership. There shall be one membership in the Association for each lot. Such membership shall be appurtenant to the lot, and shall be transferred automatically by a conveyance of that lot to any new owner. Each membership shall be entitled to one vote, and in the event the membership is held by more than one owner the vote may be cast only as a single vote, and split or divided votes of membership shall not be allowed.

Section 3. Transfer. No person other than an owner may be a member of the Association, and a membership may not be transferred except in connection with the conveyance or transfer of the lot, provided, however, that such membership may be assigned to the holder of a mortgage as further security for the loan secured by the lien of the mortgage holder upon the lot.

Section 4. Person. The term "person" for the purpose of membership shall include a corporation, partnership, trust, joint venture or other legal entity which has valid title to any lot. Any officer, director or partner of such entity may exercise the membership rights of the entity and shall further be qualified to serve on the board of directors and as an officer of the

Association.

Section 5. Termination. Such membership shall terminate without any formal corporate action whenever such person ceases to own a lot, but such termination shall not relieve or release any such former lot owner from any liability or obligation incurred under or in any way connected with The Summit – Residential Filing Nos. 1, 2, and 3 during the period of such ownership and membership in this Association, or impair any rights or remedies which the board of directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE III

Meetings

Section 1. Annual Meeting. The annual meeting of the membership shall be held on such date and at such time as the Board of Directors shall specify at the address set forth in the notice of said meeting. At the annual meeting the membership shall elect members of the board of directors and transact such other business as may properly come before it, except only as limited by Article III, Section 6.

Section 2. Special Meetings. Special meetings may be called at any time by the board of directors or upon a petition signed by members holding no fewer than five votes in the Association. No business shall be transacted at a special meeting except as stated in the notice unless by consent of a majority of the owners present, either in person or by proxy.

Section 3. Notice of Meeting. Notice of the date, place and time of the annual meeting, or any special meeting, shall be given to each member either by delivering such notice to the member personally, or by mailing the same to him by United States mail, which notice shall be given not later than ten days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership register of the corporation or in the office of the Gunnison County Assessor or the Gunnison County Treasurer with postage prepaid thereon.

Section 4. Quorum. A quorum for any meeting of the Summit Residential Owners Association shall exist if members representing twenty percent (20%) of the votes entitled to be cast are present in person or by proxy at the beginning of that meeting. If a quorum be present, the affirmative vote of the majority of the members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by these ByLaws, the Articles of Incorporation, the laws of the State of Colorado, or the Protective Covenants.

Section 5. Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by that member's duly authorized attorney in fact. Such proxy shall be filed with the secretary-treasurer of the corporation before or at the time of

the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 6. Order of Business. The order of business at the annual meeting and, as applicable, at any special meeting, shall be as follows:

- A. Roll call
- B. Proof of notice of meeting
- C. Reading and approval of any unapproved minutes
- D. Reports of officers and committees
- E. Election of directors
- F. Unfinished business
- G. New business
- H. Adjournment

Section 7. Action Without Meeting. Any action required to be taken at meeting of the members or any other action which may 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 the members entitled to vote with respect to the subject matter thereof.

ARTICLE IV

Board of Directors

Section 1. Number of Directors. There shall be five directors.

Section 2. Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the corporation. Such powers and duties shall include the following:

- A. Exercising all powers, duties and authorities vested in or delegated to the board of directors under these Bylaws, the Articles of Incorporation and the Protective Covenants.
- B. Enforcing the Protective Covenants of the subdivision.
- C. Fixing, levying, collecting and enforcing all assessments as provided for in the Protective Covenants.
- D. Commencing and maintaining, in its own name, on its own behalf, or in the names and on behalf of lot owners who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of the Protective Covenants.
- E. Establishing, making, and enforcing compliance with such rules and

regulations as may be necessary for the operation, use and occupancy of the subdivision with the right to amend the same from time to time.

F. Exercising any and all powers granted to the Association by the Colorado Non-Profit Corporation Code and the Colorado Common Interest Ownership Act.

G. Exercising any other power permissible under applicable Colorado law.

Section 3. Tenure. Each director shall hold office for a term of three years from the date of election and until a successor shall have been elected and qualified to office, subject only to the provisions of Article IV, Section 5.

Section 4. Qualification. Directors shall be members of the Association.

Section 5. Term of Office. Directors shall be elected at the annual meeting of the Association and shall serve for a term of three years. Directors' terms shall remain at three years and shall be staggered so that no more than two terms expire in any year.

Section 6. Elections. Elections for the board of directors shall be by ballot, either oral or written, with the person receiving the highest number of ballots cast for such director vacancy being declared elected.

Section 7. Vacancies. Subject to the requirements of Article IV, Section 6, the board of directors is empowered to fill any vacancy that may occur in its own body, or among the officers of the corporation, and the person so appointed to such office shall hold that office until the expiration of the term of the person he or she succeeds.

Section 8. Compensation. No director or officer of the Association shall be entitled to receive any compensation as a director or officer of the Association, provided, however, that directors or officers may be reimbursed for any actual expenses incurred in the performance of their duties as director or officer.

Section 9. Chairman and Secretary-Treasurer. The president of the Association shall be the chairman of the board of directors and the secretary-treasurer of the Association shall be the secretary-treasurer of the board of directors.

Section 10. Regular Meeting. The regular meeting of the board of directors shall be held without other notice than these Bylaws immediately after, and at the same place as, the annual meeting of the members of the Association. Additional regular meetings shall be held periodically at a time and place to be designated in the notice of said meeting.

Section 11. Special Meetings. Special meetings of the board of directors may be called by any director. Such special meeting shall be held at a time and place designated in the notice of such meeting.

Section 12. Telephonic Meetings. All members of the board of directors may

participate in a meeting of the board by means of conference telephone 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 13. Quorum. A majority of the board of directors, as provided in Section 1 of this Article, shall constitute a quorum for the transaction of business at any meeting of the board of directors. 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, unless the act of a greater number of directors is required by the Articles of Incorporation, the statutes of the State of Colorado, or the Protective Covenants of The Summit.

Section 14. Notice. Notice of any meeting of the board of directors shall be given at least ten days prior thereto by written notice to each director delivered personally, sent electronically, transmitted via facsimile, or mailed by United States mail to the address as shown on the membership roll of the Association. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in a waiver of notice of such meeting.

Section 15. Removal. Directors may only be removed at a meeting of the Association called in accordance with the requirements of Article III, Sections 2 and 3 hereof. The entire board of directors or a lesser number may be removed, with or without cause, by a vote of a majority of the members in good standing present at such meeting in person or by proxy.

Section 16. Meetings Open to Members. All meetings of the board of directors of the Association shall be open to all members of the Association. Members may attend such meetings but may not participate in any action taken by the board of directors.

Section 17. Action Without Meeting. Any action required to be taken at a meeting of the board of directors or any other action which may be taken at a meeting of the board of directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors entitled to vote with respect to the subject matter thereof.

ARTICLE V

Officers

Section 1. Number. The officers of the corporation shall be a president, vice president, and secretary-treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except the office of president and secretary.

Section 2. Tenure. The officers set forth in Section 1 of this Article shall be elected at the annual meeting of the board of directors of the Association and shall hold office until the next annual meeting of the board of directors and until their successors have been elected and qualified.

Section 3. Qualifications. The president, vice president, secretary-treasurer shall be members of the board of directors. Any additional officers elected or appointed by the board of directors need not be members of the board of directors of the Association.

Section 4. Election. The officers of the Association shall be elected by the board of directors by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

Section 5. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification or inability to act shall be filled by the board of directors for the unexpired portion of the term of that office.

Section 6. President. The president shall be the principal executive officer of the Association and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Association. The president shall, when present, preside at all meetings of the Association and of the board of directors. He or she may sign, with the secretary or any other proper officer of the Association thereunto authorized by the board of directors, deeds, mortgages, contracts or other instruments, and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed the board of directors from time to time.

Section 7. Vice President. In the absence of the president, or in the event of his or her death or inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all of the powers of and be subject to all the restrictions upon the president and shall perform such other duties as from time to time may be assigned by the president or by the board of directors.

Section 8. Secretary. The secretary or the Association's agent acting on behalf of the secretary shall: (a) keep the minutes of the members' meetings and of the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (c) be custodian of the Association records and (d) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

Section 9. Treasurer. The treasurer or the Association's agent acting on behalf of the treasurer shall (a) if required by the board of directors, give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties, as the board of directors shall determine; (b) be responsible for all funds of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, deposit all such monies in the name of the Association in such banks as shall be selected in accordance with the provisions of Article VI of the Bylaws, sign checks and drafts for the payment of Association

funds; and (c) in general, perform all of the duties as from time to time may be assigned by the president or by the board of directors.

Section 10. Removal. Any officer may be removed by the board of directors whenever in its judgment the best interests of the Association would be served thereby. Such removal can be accomplished at any special meeting of the board of directors called in accordance with the requirements of Article IV, Sections 11 and 14 or by action without meeting in accordance with the provisions of Article IV, Section 17. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

ARTICLE VI

Contract, Loans, Checks and Deposits

Section 1. Contracts. The board of directors may authorize, by resolution, 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 2. Loans. No loans shall be contracted on behalf of the Association 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 3. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by an officer of the Association.

Section 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 elect.

ARTICLE VII

Fiscal Year

The fiscal year of the corporation shall begin on the 1st day of January and terminate on the 31st day of December of each year.

ARTICLE VIII

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 word "SEAL".

ARTICLE IX

Waiver of Notice

Whenever any notice is required to be given to any member or director of the Association under the provisions of these Bylaws or under the provisions of the laws of the State of Colorado, 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 X

Indemnification of Officers and Directors

The Association shall indemnify every officer or director, his or her heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred in connection with any action, suit or proceeding to which he or she may be made a party by reason of being or having been an officer or director of the Association, except as to matters as to which he or she shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of duties as such officer or director in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or director may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses.

ARTICLE XI

Obligation of the Owners

Section 1. Assessments. Except as is otherwise provided in the Protective Covenants of The Summit, all owners shall be obligated to pay all regular and special assessments imposed by the board of directors to meet the common expenses. Assessments are due within thirty (30) days of billing.

Section 2. Voting Rights. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him

and the lot owned by him.

Section 3. Late Payment Penalties. Assessments not paid within thirty (30) days of billing are subject to a late payment penalty of 10%. Assessments delinquent after sixty (60) days from the billing date are subject to an additional penalty of 1½% per month on the entire unpaid balance, including any accrued penalties.

Section 4. Liens. The Association shall have the authority to impose liens for nonpayment as set forth in the Protective Covenants.

ARTICLE XII

Amendments

These Bylaws may be altered, amended, or repealed and new bylaws adopted either by a majority vote of the entire membership of the Association at any regular or special meeting of the Association or by an affirmative vote of two thirds of the entire membership of board of directors at any regular or special meeting of the board of directors.

Adopted this ____ day of _____, 2007.

, Secretary