

**AMENDED AND RESTATED
BYLAWS
OF
ARAPAHOE ESTATES
OWNERS ASSOCIATION, INC.**

TABLE OF CONTENTS

ARTICLE 1. INTRODUCTION AND PURPOSE -1-

ARTICLE 2. DEFINITIONS -1-

 Section 2.1 Act..... -1-

 Section 2.2 Association..... -1-

 Section 2.3 Common Area..... -1-

 Section 2.4 Common Expense Assessment or Assessment..... -2-

 Section 2.5 Community or Arapahoe Estates Community -2-

 Section 2.6 Declaration..... -2-

 Section 2.7 Governing Documents -2-

 Section 2.8 Lot..... -2-

 Section 2.9 Member..... -2-

 Section 2.10 Owner..... -2-

 Section 2.11 Property..... -2-

ARTICLE 3. MEMBERSHIP -2-

 Section 3.1 Membership and Voting -2-

 Section 3.2 Suspension of Voting Rights -2-

 Section 3.3 Transfer of Membership..... -3-

ARTICLE 4. MEETINGS OF MEMBERS -3-

 Section 4.1 Annual Meetings..... -3-

 Section 4.2 Budget Meetings -3-

 Section 4.3 Special Meetings..... -4-

 Section 4.4 Notice of Meetings..... -4-

 Section 4.5 Place of Meetings..... -4-

 Section 4.6 Quorum of Members..... -4-

 Section 4.7 Voting -4-

 Section 4.8 Proxies for Members Meetings..... -5-

 Section 4.9 Majority Vote..... -5-

 Section 4.10 Order of Business..... -5-

 Section 4.11 Waiver of Notice..... -6-

 Section 4.12 Voting Procedures..... -6-

ARTICLE 5. BOARD -7-

 Section 5.1 Number and Qualification..... -7-

 Section 5.2 Term of Office for Directors..... -7-

 Section 5.3 Resignation of Directors..... -7-

 Section 5.4 Removal of Directors..... -7-

 Section 5.5 Vacancies -7-

Section 5.6	<u>Compensation</u>	-8-
ARTICLE 6.	MEETINGS OF DIRECTORS	-8-
Section 6.1	<u>Regular Meetings</u>	-8-
Section 6.2	<u>Special Meetings</u>	-8-
Section 6.3	<u>Notice of Board Meetings</u>	-8-
Section 6.4	<u>Location of Meetings and Open Meetings</u>	-8-
Section 6.5	<u>Waiver of Notice</u>	-8-
Section 6.6	<u>Quorum</u>	-8-
Section 6.7	<u>Proxies for Board Meetings</u>	-9-
Section 6.8	<u>Consent to Corporate Action</u>	-9-
Section 6.9	<u>Telephone Communication in Lieu of Attendance</u>	-9-
ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS	-9-
Section 7.1	<u>Powers and Duties</u>	-9-
Section 7.2	<u>Managing Agent</u>	-10-
Section 7.3	<u>No Waiver</u>	-11-
ARTICLE 8.	OFFICERS AND THEIR DUTIES	-11-
Section 8.1	<u>Enumeration of Offices</u>	-11-
Section 8.2	<u>Election of Officers</u>	-11-
Section 8.3	<u>Special Appointments</u>	-11-
Section 8.4	<u>Resignation and Removal</u>	-11-
Section 8.5	<u>Vacancies</u>	-11-
Section 8.6	<u>Duties</u>	-11-
Section 8.7	<u>Delegation</u>	-12-
ARTICLE 9.	COMMITTEES	-12-
Section 9.1	<u>Designated Committees</u>	-12-
ARTICLE 10.	BOOKS AND RECORDS	-12-
Section 10.1	<u>Records</u>	-12-
Section 10.2	<u>Examination</u>	-13-
ARTICLE 11.	AMENDMENTS	-13-
Section 11.1	<u>Bylaw Amendments</u>	-13-
ARTICLE 12.	INDEMNIFICATION	-13-
Section 12.1	<u>Obligation to Indemnify</u>	-13-
Section 12.2	<u>Determination Required</u>	-14-
Section 12.3	<u>Payment in Advance of Final Disposition</u>	-15-
Section 12.4	<u>No Limitation of Rights</u>	-15-
Section 12.5	<u>Directors and Officers Insurance</u>	-15-

ARTICLE 13. MISCELLANEOUS -15-
Section 13.1 Fiscal Year -15-
Section 13.2 Notices -15-
Section 13.3 Conflicts..... -16-
Section 13.4 Waiver..... -16-

**AMENDED AND RESTATED
BYLAWS
OF
ARAPAHOE ESTATES
OWNERS ASSOCIATION, INC.**

RECITALS

Arapahoe Estates Owners Association, Inc., a Colorado nonprofit corporation ("Association"), certifies that:

The Association desires to amend and restate its Bylaws currently in effect as follows.

The provisions set forth in these Amended and Restated Bylaws supersede and replace the existing Bylaws and all amendments.

The Bylaws of the Association are hereby amended by striking in their entirety Articles I through XV, inclusive, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSE

These Amended and Restated Bylaws are adopted for the regulation and management of the affairs of the Association. The Association has been organized as a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act to act as the Association under the Declaration of Covenants, Conditions, and Restrictions of Arapahoe Estates, as may be amended and restated ("Declaration").

The purposes for which the Association is formed are to operate and govern the community known as Arapahoe Estates; to provide for the administration, maintenance, preservation and architectural review of the Lots and Common Area within Arapahoe Estates; and to promote the health, safety, welfare and recreation of the Lot Owners.

ARTICLE 2. DEFINITIONS

Section 2.1 Act shall mean the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 et. seq., as it may be amended.

Section 2.2 Association shall mean and refer to the

Arapahoe Estates Owners Association, Inc., its successors and assigns.

Section 2.3 Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

Section 2.4 Common Expense Assessment or Assessment shall include all common expense assessments, insurance assessments, utility assessments, and any other expense levied to Lots pursuant to the Declaration or the Act, including interest, late fees, attorney fees, fines, and costs.

Section 2.5 Community or Arapahoe Estates Community shall mean the Arapahoe Estates planned community, as further defined by the recorded Maps and the Declaration.

Section 2.6 Declaration shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions of Arapahoe Estates, as amended, applicable to the Property recorded in the office of the Clerk and Recorder of Arapahoe County, Colorado.

Section 2.7 Governing Documents shall mean the Articles of Incorporation, the Bylaws, the Declaration, the Maps and Rules and Regulations of the Arapahoe Estates Owners Association, Inc., as they may be amended.

Section 2.8 Lot shall mean a physical portion of the Community, designated for separate ownership, the boundaries of which are defined on a Map and in the Declaration, with the exception of Common Area.

Section 2.9 Member shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably.

Section 2.10 Owner shall mean the owner of record title, whether one or more persons or entities, to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.11 Property shall mean and refer to all of the real property described in or which is subject to the Declaration.

ARTICLE 3. MEMBERSHIP

Section 3.1 Membership and Voting. Every person who is an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any

Lot. Ownership of a Lot shall be the sole qualification for membership. Each Lot shall be entitled to cast one (1) vote. Fractional and cumulative voting are prohibited.

Section 3.2 Suspension of Voting Rights. During any period in which an Owner shall be in default in the payment of any Common Expense Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association, the voting rights and right to use of the recreational facilities of such Owner may be deemed suspended by the Board of Directors, without notice or hearing, until such has been paid. Such rights of an Owner may also be suspended, after notice and the opportunity for a hearing, during any period of violation of any other provision of the Governing Documents.

Section 3.3 Transfer of Membership. Transfers of membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Lot to which the membership is appurtenant.

ARTICLE 4. MEETINGS OF MEMBERS

Section 4.1 Annual Meetings. An annual meeting of the Members shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Board. At these meetings, the Directors shall be elected by the Members, in accordance with the provisions of these Bylaws. The Members may transact other business as may properly come before them at these meetings. Failure to hold an annual meeting shall not be considered a forfeiture or dissolution of the Association.

Section 4.2 Budget Meetings. Meetings to consider proposed budgets shall be called in accordance with the Colorado Common Interest Ownership Act ("CCIOA"). The budget process to be followed is as follows:

- 4.2.1 Effective the first full fiscal year after these Bylaws are adopted and become effective, and for each year thereafter, the Board of Directors of the Association is to prepare and adopt a proposed budget at least annually.
- 4.2.2 Within thirty (30) days after the Board of Directors's adoption of the proposed budget, the Board must mail or deliver a **summary** of the proposed budget to those entitled to vote and set a date for a special or annual meeting at which to consider ratification of the proposed budget.
- 4.2.3 Notice for the meeting at which the budget will be considered must be mailed not less than fourteen (14) days nor more than sixty (60) days before the meeting.
- 4.2.4 At the meeting for the Common Area budget, unless a majority of all Members reject the proposed budget, the proposed budget is ratified and

becomes the approved budget of the Association for Common Areas.

- 4.2.5 At the meeting for the Duplexes and Townhomes budget, unless a majority of all Members who are Owners of Duplexes and Townhomes reject the proposed budget, the proposed budget is ratified and becomes the approved budget of the Association for the Duplexes and Townhomes.
- 4.2.6 The Act does not require a quorum at a budget meeting, but an annual meeting does require a quorum if other business is to be conducted.
- 4.2.7 In the event the proposed budget is rejected by a majority of the Members entitled to vote on such proposed budget, the budget last ratified is continued until such time as a subsequent budget proposed by the Board of Directors is ratified.

Section 4.3 Special Meetings. Special meetings of the Association may be called by the President, by a majority of the members of the Board of Directors or by a petition signed by Owners comprising at least twenty-five percent (25%) of the votes in the Association. If a notice for a special meeting demanded pursuant to this Section is not given by the Association within thirty (30) days after the date the written demand or demands are delivered to the Association, the person signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws.

Section 4.4 Notice of Meetings. Written notice of each meeting of 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 fifteen (15) days before, but not more than fifty (50) days before such meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, personal delivery, facsimile, and e-mail delivery, to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. 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. No matters shall be heard nor action adopted at a special meeting except as stated or allowed in the notice.

Section 4.5 Place of Meetings. Meetings of the Members shall be held in the Arapahoe Estates Community, or in any other location in the area, and may be adjourned to a suitable place convenient to the Members, as may be designated by the chair of the meeting.

Section 4.6 Quorum of Members. The presence of ten percent (10%) of the Members eligible to vote at any meeting, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, and these Bylaws. If the required quorum is not present, the Members who are present shall have power to adjourn the meeting from time to time (to a later date) without notice other than announcement at the meeting until a quorum shall be present or represented.

Section 4.7 Voting.

- 4.7.1 At all meetings of Members, each Member eligible to vote may vote in person or by proxy.
- 4.7.2 If only one of several Owners of a Lot is present at a meeting of the Association, the Owner present is entitled to cast the vote allocated to such Lot.
- 4.7.3 If more than one of the Owners is present, the vote allocated to the Lot may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement exists if any one of the Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Lot
- 4.7.4 The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation or business trust.
- 4.7.5 The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership.
- 4.7.6 The chair of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Owner is qualified to vote.
- 4.7.7 Votes allocated to Lots owned by the Association may not be cast.

Section 4.8 Proxies for Members Meetings. The vote allocated to a Lot may be cast under a proxy duly executed by an Owner.

- 4.8.1 All proxies shall be in writing and filed with the Secretary or designee of the Association.
- 4.8.2 If a Lot is owned by more than one person, each Owner of the Lot may vote, or register protest to the casting of the vote by the other Owners of the Lot, through a duly executed proxy.

- 4.8.3 An Owner may revoke a proxy given under this section by actual notice of revocation to the person presiding over a meeting of the Association.
- 4.8.4 A proxy is void if it is not dated.
- 4.8.5 A proxy terminates eleven (11) months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Lot for which the proxy was issued.

Section 4.9 Majority Vote. The vote of more than fifty percent (50%) of Members voting at a meeting at which at least a quorum is present shall constitute a majority and shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation, as amended, or by law.

Section 4.10 Order of Business. The Board may establish the order of business for all meetings of the Board or Members.

Section 4.11 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice. Attendance at the meeting shall constitute a waiver of notice unless attendance is for the express purpose of objecting to the sufficiency of the notice.

Section 4.12 Voting Procedures. Voting may be by voice, by show of hands, by consent, by mail, by electronic means, by directed proxy, by written ballot, or as otherwise determined by the Board of Directors or Members present at a meeting where a vote is to be taken, except that a vote for election of Directors shall be by secret ballot.

4.12.1 In case of a vote by mail or electronic means, the Secretary shall mail or deliver written notice to all Members at each Member's address as it appears in the records of the Association given for notice purposes. The notice shall include:

4.12.1.1 a proposed written resolution setting forth a description of the proposed action;

4.12.1.2 a statement that Members are entitled to vote by mail or electronic means for or against such proposal;

4.12.1.3 a date at least thirty (30) days after the date such notice shall have been given on or before which all votes must be received at the office of the

Association at the address designated in the notice; and

4.12.1.4 the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote.

4.12.2 Voting by mail shall be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.

4.12.3 The Board of Directors may conduct elections of Directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; *provided however*, that any procedures adopted shall provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Association for a vacant position, subject to the nominated Member's consent.

4.12.4 In an election of Directors, the Members receiving the largest number of votes shall be elected.

ARTICLE 5. BOARD

Section 5.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors which shall consist of nine (9) Members, elected or appointed as provided below (the "Board"). Only Owners, eligible to vote, current in the payment of Assessments, and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board. In the case where through removal or resignation, the total number of Board members is less than nine (9), the Board will be considered properly constituted until such vacancies are filled. The number of members of the Board may be increased or decreased by amendment of these Bylaws.

If any Lot is owned by a partnership or corporation, any officer, partner or employee of that Member shall be eligible to serve as a Director and shall be deemed to be a Member for the purposes of these Bylaws.

Section 5.2 Term of Office for Directors. The term of office of Directors shall be three (3) years or until such time as a successor is elected.

Section 5.3 Resignation of Directors.

- 5.3.1 Any Director may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.
- 5.3.2 The unexcused absence of a Director from three (3) regular meetings of the Board of Directors within a twelve-month period may be deemed by a majority vote of the remaining Directors as a resignation of the Director.

Section 5.4 Removal of Directors.

- 5.4.1 One or more Directors or the entire Board of Directors may be removed at a Special Meeting of Members called pursuant to these Bylaws, with or without cause, by a vote of a majority of the Members present in person or by proxy. Notice of a Special Meeting of the Members to remove Directors shall be provided to every Member of the Association, including the Directors sought to be removed, as provided in these Bylaws. Directors sought to be removed shall have the right to be present at such meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken.
- 5.4.2 In the event of removal of one or more Directors, a successor shall be elected by the Members at the meeting to serve for the unexpired term of his or her predecessor.

Section 5.5 Vacancies. Vacancies on the Board caused by any reason (other than removal) may be filled by appointment by a majority vote of the Board at any time after the occurrence of the vacancy, even though the Directors present at that meeting may constitute less than a quorum. Each person so appointed shall be a Director who shall serve for the remainder of the unexpired term.

Section 5.6 Compensation. No Director shall receive compensation for any service they may render as a Director to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of Association duties.

ARTICLE 6. MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be

held at such times, place and hour as may be fixed by the Board. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary to constitute regular meetings.

Section 6.2 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) days' notice to each Director. If a notice for a special meeting demanded pursuant to this Section is not given by the Board within thirty (30) days after the date the written demand or demands are delivered to the Board, the Directors signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of Section 6.3 of these Bylaws.

Section 6.3 Notice of Board Meetings. Written notice of each meeting of the Board 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 three (3) days before such meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, personal delivery, facsimile, and e-mail delivery, to each Board member entitled to vote, addressed to the Board member's address last appearing on the books of the Association, or supplied by such Board member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting.

Section 6.4 Location of Meetings and Open Meetings. All meetings of the Board of Directors shall be open to attendance by Members, as provided by applicable Colorado law. All meetings of the Board of Directors shall be held in the Community, by conference call, electronic means or in the surrounding area, unless all Directors consent in writing to another location.

Section 6.5 Waiver of Notice. Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

Section 6.6 Quorum. At all meetings of the Board a majority of the Directors shall constitute a quorum for the transaction of business, unless there are fewer than three (3) Directors, in which case all Directors must be present to constitute a quorum. The votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board unless there are fewer than three (3) Directors, in which case, unanimity of the Directors is required to constitute a decision of the Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.7 Proxies for Board Meetings. For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a

Director may execute, in writing, a proxy to be held by another Director. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.

Section 6.8 Consent to Corporate Action. The Directors shall have the right to take any action in the absence of a meeting, which they could otherwise have taken at a meeting, by:

- 6.8.1 Obtaining the unanimous verbal vote of all Directors which vote shall be noted in the minutes of the next meeting of the Board and ratified at such time; or
- 6.8.2 Obtaining the written vote of all of the Directors, with at least a majority of the Directors approving the action, provided that those Directors who vote “no” or abstain from voting have waived notice of a meeting in writing. The Secretary shall file the written votes with the minutes of the meetings of the Board of Directors; and
- 6.8.3 Any action taken under subsections 6.8.1 and 6.8.2 shall have the same effect as though taken at a meeting of the Directors.

Section 6.9 Telephone Communication in Lieu of Attendance. A Director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the Director may be heard by the other Members and may hear the deliberations of the other Members on any matter properly brought before the Board. The Director's vote shall be counted and the presence noted as if that Director were present in person.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 Powers and Duties. The Board may act in all instances on behalf of the Association, except as provided in the Declaration and these Bylaws or the Act. The 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 Association and of the Community, and for the operation and maintenance of the Community as a first class residential community, including the following powers and duties:

- 7.1.1 Exercise any other powers conferred by the Declaration, Bylaws or Articles of Incorporation;
- 7.1.2 Adopt and amend Rules and Regulations, including penalties for infraction thereof;
- 7.1.3 Adopt and amend budgets subject to any requirements of the Declaration and the Bylaws;
- 7.1.4 To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;

- 7.1.5 Collect assessments as provided by the Governing Documents;
- 7.1.6 Employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;
- 7.1.7 Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents, and, in the Association's name, on behalf of the Association or two or more Owners, on matters affecting the Community;
- 7.1.8 Make contracts, administer financial accounts and incur liabilities in the name of the Association;
- 7.1.9 Acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real estate or personal property, pursuant to the consent requirements set forth in the Governing Documents;
- 7.1.10 Borrow funds and secure such loans with an interest in future Assessments;
- 7.1.11 Provide for the indemnification of the Association's Directors and any person serving without compensation at the request of the Association, and maintain association professional liability insurance;
- 7.1.12 Supervise all persons acting on behalf of and/or at the discretion of the Association;
- 7.1.13 Procure and maintain liability and hazard insurance as set forth in the Governing Documents;
- 7.1.14 Cause all persons having fiscal responsibilities for the assets of the Association to be insured and/or bonded, as it may deem appropriate;
- 7.1.15 Exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents or the Act.

Section 7.2 Managing Agent. The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall have the authority to delegate any of the powers and duties set forth in this Article to a managing agent. Regardless of any delegation to a managing agent, the members of the Board shall not be relieved of responsibilities under the Governing Documents or Colorado law.

Section 7.3 No Waiver. The omission or failure of the Association or Owner to enforce the covenants, conditions, easements, uses, limitations, obligations, or other provisions of the Governing Documents shall not constitute or be deemed a waiver, modification, or release thereof, and the Board or the managing agent shall have the right to enforce the same at any time.

ARTICLE 8. OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The Officers of this Association shall be President, Vice-President, Secretary and Treasurer, who shall at all times be members of the Board of Directors, and such other Officers as the Board may from time to time create by resolution. Any two (2) offices, except the offices of President and Secretary, may be held by the same person.

Section 8.2 Election of Officers. The Officers shall be elected for a one (1) year term at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 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 8.4 Resignation and Removal. Any Officer may be removed from office with or without cause by a majority of the Board of Directors. Any Officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective.

Section 8.5 Vacancies. A vacancy in any office may be filled by appointment by the Board by majority vote of the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 8.6 Duties. The duties of the Officers are as follows:

8.6.1 President. The President shall have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation including, but not limited to the following: preside at all meetings of the Board of Directors; appoint committees; see that orders and resolutions of the Board are carried out; sign all contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the day-to-day affairs of the Association.

8.6.2 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 Board of Directors shall appoint some other Director to

act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Board of Directors or by the President.

8.6.3 Secretary. The Secretary shall record the votes and maintain the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties incident to the office of Secretary or as required by the Board.

8.6.4 Treasurer. The Treasurer shall be responsible for the receipt, deposit and disbursement of Association funds and securities and for maintenance of full and accurate financial records; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members present at such annual meeting. The Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board of Directors.

Section 8.7 Delegation. The duties of any Officer may be delegated to the managing agent or another Board member; *provided, however*, the Officer shall not be relieved of any responsibility under this Section or under Colorado law.

ARTICLE 9. COMMITTEES

Section 9.1 Designated Committees. The Association may appoint such committees as deemed appropriate in carrying out its purposes. Committees shall have authority to act only to the extent designated in the Governing Documents or as delegated by the Board.

ARTICLE 10. BOOKS AND RECORDS

Section 10.1 Records. The Association or its managing agent, if any, shall keep the following records:

10.1.1 An account for each Lot, which shall designate the name and address of each Owner, the amount of each assessment, the dates on which each comes due, any other fees payable by the Owner as assessments, the amounts paid on the account and the balance due;

- 10.1.2 An account for each Owner showing any other fees payable by the Owner;
- 10.1.3 A list of the names and addresses of all Members in alphabetical order;
- 10.1.4 Financial statements of the Association prepared for periods ending during the previous three years;
- 10.1.5 The current operating budget;
- 10.1.6 A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- 10.1.7 A record of insurance coverage provided for the benefit of Owners and the Association;
- 10.1.8 Tax returns for state and federal income taxation;
- 10.1.9 Minutes of meetings of the Owners, Directors, committees and waivers of notice, if any;
- 10.1.10 Copies of at least the three most recent years' correspondence between the Association and Owners; and
- 10.1.11 Copies of the most current versions of the Governing Documents, along with their exhibits and schedules.

Section 10.2 Examination. The books, records and papers of the Association shall at all times, during normal business hours and after reasonable notice, be subject to inspection and copying by any Member, at their expense, for any proper purpose, except documents determined by the Board to be confidential pursuant to a written policy or applicable law. The Board of Directors or the managing agent shall determine reasonable fees for copying.

ARTICLE 11. AMENDMENTS

Section 11.1 Bylaw Amendments. These Bylaws may be amended by vote of two-thirds (2/3) of the members of the Board of Directors, following notice and an opportunity to comment to all Owners, at a Board meeting duly called for such purpose.

ARTICLE 12. INDEMNIFICATION

Section 12.1 Obligation to Indemnify.

12.1.1 The Association shall indemnify any person:

12.1.1.1 Who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association);

12.1.1.2 By reason of the fact that that person is or was a Director, Officer

or committee member of the Association;

12.1.1.3 Provided that the person is or was serving at the request of the Association in such capacity;

12.1.1.4 But no indemnification shall be made with respect to any claim, issue or matter in any threatened, pending or completed action or suit where such person has been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Association, unless a court determines that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper.

12.1.2 The Association's obligation for indemnification shall include:

12.1.2.1 Actual and reasonable expenses (including expert witness fees, attorneys' fees and costs);

12.1.2.2 Judgments and fines;

12.1.2.3 Reasonable amounts paid in settlement.

12.1.3 The Association shall indemnify when the person identified in subsection *12.1.1* of this Section:

12.1.3.1 Acted in good faith and;

12.1.3.2 In a manner which such person reasonably believed to be in the best interests of the Association, and;

12.1.3.3 With respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful;

12.1.3.4 To the extent that such person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, such person shall be indemnified against actual and reasonable expenses (including expert witness fees, attorneys' fees and costs) incurred in connection with such action, suit or proceeding.

Section 12.2 Determination Required. The Board of Directors shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. Such determination shall be made by the Board of Directors:

12.2.1 By majority vote of a quorum consisting of those members of the Board of Directors who were not parties to such action, suit or proceeding or;

- 12.2.2 By independent legal counsel in a written opinion if a majority of those members of the Board of Directors who were not parties to such action, suit or proceeding so directs, or;
- 12.2.3 By a vote of the Members if a majority of those members of the Board of Directors who were not parties to such action, suit or proceeding so directs.
- 12.2.4 Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe the conduct was unlawful.

Section 12.3 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Directors with:

- 12.3.1 A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;
- 12.3.2 A written statement that such person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 12.4 No Limitation of Rights. The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board of Directors, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 12.5 Directors and Officers Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against such person by virtue of such person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify such person against such liability under provisions of this Article.

ARTICLE 13. MISCELLANEOUS

Section 13.1 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association.

Section 13.2 Notices. All notices to the Association or the Board shall be delivered to the office of the managing agent, or, if there is no managing agent, to the office of the Association, or to such other address as the Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be mailed to the Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when mailed or transmitted, except notices of changes of address, which shall be deemed to have been given when received.

Section 13.3 Conflicts. In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration shall control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation shall control.

Section 13.4 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.

By signature below, the Secretary of the Board of Directors certifies these Amended and Restated Bylaws received approval by a vote of a majority of a quorum of Members present in person or by proxy at a special meeting of the Members held on _____.

**ARAPAHOE ESTATES
OWNERS ASSOCIATION, INC.,**
a Colorado nonprofit corporation

By: _____
Secretary