

***AMENDED AND RESTATED
BYLAWS
OF
COLUMBINE KNOLLS SOUTH/ESTATES
HOMEOWNERS' ASSOCIATION, INC.***

TABLE OF CONTENTS

TABLE OF CONTENTS -2-

RECITALS-5-

ARTICLE 1. INTRODUCTION AND PURPOSE-5-

ARTICLE 2. DEFINITIONS -5-

 Section 2.1 Architectural Control Committee or Committee or ACC -5-

 Section 2.2 Association -5-

 Section 2.3 Board or Board of Directors -5-

 Section 2.4 Community or Columbine Knolls South/Estates Community -6-

 Section 2.5 Governing Documents -6-

 Section 2.6 Member -6-

 Section 2.7 Membership Lot -6-

 Section 2.8 Owner -6-

 Section 2.9 Plat or Map..... -6-

 Section 2.10 Property -6-

 Section 2.11 Protective Covenants -6-

 Section 2.12 Rules and Regulations -6-

ARTICLE 3. MEMBERSHIP-6-

 Section 3.1 Membership and Voting-6-

 Section 3.2 Suspension of Voting Rights-7-

ARTICLE 4. MEETINGS OF MEMBERS-7-

 Section 4.1 Annual Meetings-7-

 Section 4.2 Special Meetings-7-

 Section 4.3 Notice of Meetings-7-

 Section 4.4 Place of Meetings-7-

 Section 4.5 Quorum of Members-8-

 Section 4.6 Member Voting-8-

 Section 4.7 Proxies for Members Meetings -8-

 Section 4.8 Majority Vote-9-

 Section 4.9 Order of Business-9-

 Section 4.10 Waiver of Notice-9-

 Section 4.11 Voting Procedures-9-

ARTICLE 5. BOARD OF DIRECTORS-10-

 Section 5.1 Number-10-

 Section 5.2 Qualification-10-

 Section 5.3 Term of Office for Directors-11-

 Section 5.4 Resignation of Directors-11-

 Section 5.5 Removal of Directors-11-

 Section 5.6 Vacancies-11-

Section 5.7	Compensation	-11-
Section 5.8	Conflict of Interest	-11-
Section 5.9	Board Member Education	-11-
Section 5.10	Membership Education	-11-
ARTICLE 6.	MEETINGS OF DIRECTORS	-12-
Section 6.1	Regular Meetings	-12-
Section 6.2	Special Meetings	-12-
Section 6.3	Notice of Board Meetings	-12-
Section 6.4	Location of Meetings and Open Meetings	-12-
Section 6.5	Waiver of Notice	-12-
Section 6.6	Quorum	-12-
Section 6.7	Proxies for Board Meetings	-12-
Section 6.8	Consent to Corporate Action	-13-
Section 6.9	Telephone Communication in Lieu of Attendance	-13-
ARTICLE 7.	POWERS AND DUTIES OF BOARD OF DIRECTORS	-13-
Section 7.1	Powers and Duties	-13-
Section 7.2	No Waiver	-14-
ARTICLE 8.	OFFICERS AND THEIR DUTIES	-14-
Section 8.1	Enumeration of Offices	-14-
Section 8.2	Election of Officers	-14-
Section 8.3	Special Appointments	-14-
Section 8.4	Resignation and Removal	-15-
Section 8.5	Vacancies	-15-
Section 8.6	Duties	-15-
Section 8.7	Delegation	-16-
Section 8.8	Execution of Instruments	-16-
ARTICLE 9.	COMMITTEES	-16-
Section 9.1	Designated Committees	-16-
Section 9.2	Architectural Control Committee	-16-
ARTICLE 10.	BUDGET AND DUES	-17-
Section 10.1	Budget and Dues Date	-17-
Section 10.2	Special Assessments	-17-
ARTICLE 11.	INSURANCE	-17-
Section 11.1	Hazard Insurance on Easement Areas	-17-
Section 11.2	Association Liability Insurance	-17-
Section 11.3	Association Fidelity Insurance	-17-
Section 11.4	Officers' and Directors' Personal Liability Insurance	-17-
ARTICLE 12.	BOOKS AND RECORDS	-17-
Section 12.1	Maintenance of Records	-18-

Section 12.2	Association Records	-19-
Section 12.3	Minutes and Presumptions There under	-20-
Section 12.4	Member's Examination and Disclosure	-20-
Section 12.5	Annual Disclosure	-21-
Section 12.6	Additional Prepared Information	-21-
ARTICLE 13.	AMENDMENTS	-22-
Section 13.1	Bylaw Amendments	-22-
ARTICLE 14.	INDEMNIFICATION	-22-
Section 14.1	Obligation to Indemnify	-22-
Section 14.2	Determination Required	-22-
Section 14.3	Payment in Advance of Final Disposition	-23-
Section 14.4	No Limitation of Rights	-23-
Section 14.5	Directors' and Officers' Insurance	-23-
ARTICLE 15.	LEGAL MATTERS	-23-
Section 15.1	Attorney Fees	-23-
Section 15.2	Alternate Dispute Resolution (ADR)	-23-
Section 15.3	Termination of Contracts	-23-
Section 15.4	Attorney-Client Relationship.....	-24-
ARTICLE 16.	MISCELLANEOUS	-24-
Section 16.1	Fiscal Year	-24-
Section 16.2	Notices	-24-
Section 16.3	Conflicts	-24-
Section 16.4	Waiver	-24-

**AMENDED AND RESTATED
BYLAWS
OF
COLUMBINE KNOLLS SOUTH/ESTATES HOMEOWNERS' ASSOCIATION, INC.**

RECITALS

Columbine Knolls South/Estates Homeowners' 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.

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 Amended, Restated and Consolidated Protective Covenants for Columbine Knolls South/Estates and Chatfield Estates ("Protective Covenants"). Association membership for our homeowners is voluntary rather than mandatory. For that reason the Association is not a Common Interest Community and is not regulated by the Colorado Common Interest Ownership Act. However, applicable provisions of Colorado State Law 05-100, effective June, 2005, have been incorporated into these provisions as guidance rather than for compliance.

The purposes for which the Association is formed are to operate and govern the community known as Columbine Knolls South/Estates; to provide for the administration and architectural review of the Membership Lots and maintenance of easement areas within the Columbine Knolls South/Estates Community; to promote the health, safety, welfare and recreation of the residents within the Columbine Knolls South/Estates Community; and to preserve and enhance property values within the Columbine Knolls South/Estates Community.

ARTICLE 2. DEFINITIONS

In supplement of the definitions provided for in the Protective Covenants, the following terms shall have the meaning set forth below, unless the context requires otherwise:

Section 2.1 Architectural Control Committee or Committee or ACC means the committee established by the Association for the purpose of implementing the architectural review provisions of the Protective Covenants and architectural guidelines for the Community to insure proper use, appropriate improvement, and harmonious additions, alterations and improvements within the Community.

Section 2.2 Association shall mean and refer to the Columbine Knolls South/Estates Homeowners' Association, Inc., its successors and assigns.

Section 2.3 Board or Board of Directors shall mean the body, regardless of name, designated in the Governing Documents to act on behalf of the Association.

Section 2.4 Community or Columbine Knolls South/Estates Community shall mean the Columbine Knolls South/Estates Planned Community, as further defined by the recorded Plats and the Protective Covenants.

Section 2.5 Governing Documents shall mean the Articles of Incorporation, the Bylaws, the Protective Covenants and their implementing documents, the Rules and Regulations of the Columbine Knolls South/Estates Homeowners' Association, Inc., as they may be amended, and the map.

Section 2.6 Member shall mean any Owner who has paid dues in accordance with these Bylaws.

Section 2.7 Membership Lot shall mean a physical portion of the Community, designated for separate ownership, the boundaries of which are defined on the Map and in the Protective Covenants whose Owner(s) have paid dues to the Association in accordance with these Bylaws and are Members.

Section 2.8 Owner shall mean the owner of record title, whether one or more persons or entities to any Membership Lot which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 2.9 Plat or Map shall mean and refer to the plat(s) and/or map(s) of the property and improvements that are subject to the Protective Covenants and which are designated in the plat for Columbine Knolls South/Estates recorded in the records of the Office of the Clerk and Recorder of Jefferson County. More than one plat, map or supplement thereto may be recorded, and, if so, then the term "Plat" or "Map" shall collectively mean and refer to all of such plats, maps and supplements thereto.

Section 2.10 Property shall mean and refer to all of the real property described in or which is subject to the Protective Covenants.

Section 2.11 Protective Covenants shall mean and refer to the Amended, Restated and Consolidated Protective Covenants for Columbine Knolls South/Estates and Chatfield Estates, as amended, applicable to the Property recorded in the office of the Clerk and Recorder of Jefferson County, Colorado.

Section 2.12 Rules and Regulations shall mean any instruments, however denominated, which are adopted by the Association for the regulation and management of the Community, or its Protective Covenants and including any amendments to those instruments.

ARTICLE 3. MEMBERSHIP

Section 3.1 Membership and Voting Every person who is an Owner is eligible to be a Member of the Association. Ownership of a Membership Lot and payment of dues as provided for in these Bylaws shall be the sole qualification for membership. There shall be one (1) membership in the Association for each Membership Lot. Each Membership Lot whose

Owner(s) is/are Member(s) of the Association shall be entitled to one (1) equal vote. Fractional and cumulative voting are prohibited.

Section 3.2 Suspension of Voting Rights. During any period in which a Member shall be in default in the payment of any dues levied by the Association, the voting rights of the Member shall be deemed suspended by the Board of Directors, without notice or hearing, until the dues have been paid.

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. It is the Association's policy that Members shall be given every reasonable opportunity to participate in and to speak at these meetings. To facilitate this process, members desiring to speak may so notify the President before the meeting. A sign-up sheet may be used for this purpose. The President or the Chair, pursuant to Robert's Rules of Order, shall recognize members desiring to speak. Failure to hold an annual meeting shall not be considered a forfeiture or dissolution of the Association.

Section 4.2 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 the Secretary, upon receipt of a petition signed by Members comprising at least twenty percent (20%) of the votes in the Association. The form of notice, date, time and place of the meeting shall be determined by the Board. If a notice for a special meeting demanded pursuant to petition is not given by the Secretary within thirty (30) days after the date the written demand or demands are delivered to the Secretary, 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. Any meeting called under this Section shall be conducted by the President of the Board, or in his/her absence, a person chosen by a majority of the Board.

Section 4.3 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 posting notices at the six street entrances to the neighborhood, or by mailing a copy of the notice, postage prepaid, at least ten (10) days before, but not more than fifty (50) days before the 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 a Member to the Association for the purpose of notice. Notice of meetings shall be included in the Association's newsletter. The 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 4.4 Place of Meetings. Meetings of the Members shall be held in or near the Columbine Knolls South/Estates Community, or in any other location in the Jefferson County area, and may be adjourned to a suitable place convenient to the Members, as may be designated by the chair of the meeting.

Section 4.5 Quorum of Members. The presence of twenty percent (20%) 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 Protective Covenants, 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 4.6 Member Voting. At all meetings of Members, each Member eligible to vote may vote in person or by proxy. Election for any Association Board Member shall be accomplished only by secret ballot. At member meetings, the State of Colorado dictates that a single member can request that any other voting on any other issue be done by secret ballot. The persons who count ballots shall be neutral third parties appointed by the Board and the President or the Chair will announce the results in an open meeting.

(a) If only one of several Owners of a Membership Lot is present at a meeting of the Association, the Member present is entitled to cast the vote allocated to such Membership Lot.

(b) If more than one of the Owners is present, the vote allocated to the Membership 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 Membership Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Membership Lot. In the event of disagreement between or among co-Owners and an attempt by two (2) or more of them to cast such vote or votes, such vote or votes shall not be counted.

(c) 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.

(d) 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.

(e) 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.

Section 4.7 Proxies for Members Meetings. The vote allocated to a Membership Lot may be cast under a proxy duly executed by its Owner.

(a) All proxies shall be in writing and filed with the Secretary or designee of the Association.

(b) If a Membership Lot is owned by more than one person, each Owner of the Membership Lot may vote or register protest to the casting of the vote by the other Owners of the Membership Lot through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two (2) or more of them to cast such vote or votes, such vote or votes shall not be counted.

(c) A Member may revoke a proxy given under this section by actual notice of revocation to the person presiding over a meeting of the Association.

(d) A proxy is void if it is not dated.

(e) A proxy terminates eleven (11) months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Membership Lot for which the proxy was issued.

Section 4.8 Majority Vote. The vote of more than fifty percent (50%) of Members represented 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 Protective Covenants, these Bylaws, the Articles of Incorporation, as amended, or by law.

Section 4.9 Order of Business The Board may establish the order of business for all meetings of the Board or Members. Failure to strictly follow Robert's Rules of Order shall not invalidate any action taken at a meeting of the Board or Members.

Section 4.10 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, in which case, such objection must be raised before the business of which proper notice as not given is put to a vote.

Section 4.11 Voting Procedures. Except for elections of Board Members, which must be conducted by secret ballot, (see paragraph 4.6 above) 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 the Members present at a meeting.

(a) 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:

(i) A proposed written resolution setting forth a description of the proposed action;

(ii) A statement that Members are entitled to vote by mail or electronic means for or against such proposal;

(iii) 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

(iv) The number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail shall be acceptable in all instances in the Protective Covenants, Articles or these Bylaws requiring the vote of Members at a meeting.

(b) The Board of Directors may conduct elections of Directors 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.

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

ARTICLE 5. BOARD OF DIRECTORS

Section 5.1 Number The affairs of the Association shall be governed by a Board of Directors which shall consist of no fewer than five (5) or more than nine (9) members, the exact number to be determined by Board resolution, elected or appointed as provided below (the "Board"). In the case where through removal or resignation, the total number of Board members is fewer than five (5), the Board will be considered properly constituted until such vacancies are filled.

Section 5.2 Qualification.

(a) Only Members, eligible to vote, current in the payment of dues, and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board.

(b) If any Membership 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.

(c) Once elected, a Director may not be more than sixty (60) days delinquent in payment of any dues to the Association.

(d) Any Director who has unexcused absences from three (3) consecutive Board meetings shall not be qualified to serve on the Board.

(e) If a Director is not qualified, the Director's position shall be deemed vacant.

Section 5.3 Term of Office for Directors. The term of office of Directors shall be one (1) year or until a successor is elected.

Section 5.4 Resignation of Directors. 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 the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

Section 5.5 Removal of Directors.

(a) 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. 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 this meeting and shall be given the opportunity to speak for a reasonable length of time to the Members prior to a vote to remove being taken.

(b) 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 un-expired term of his or her predecessor.

Section 5.6 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 un-expired term.

Section 5.7 Compensation No Director shall receive compensation for any service they may render as a Director to the Association. However, if approved by the Board, any Director may be reimbursed for actual expenses incurred in the performance of Association duties.

Section 5.8 Conflict of Interest Board Members must disclose when they have a conflict of interest in any action or contract that would financially or otherwise benefit any Board Member or the parent, grandparent, spouse, child, or sibling of any Board Member. This disclosure must be made in an open meeting before an action is taken on that matter. Board Members with conflicts of interest are prohibited from voting in that matter.

Section 5.9 Board Member Education The Association encourages familiarization and continuing education in the field of government requirements and stands ready, with prior approval, to compensate Board Members for the reasonable costs of any relevant courses.

Section 5.10 Membership Education The Association shall offer educational materials to homeowners in a manner determined by the Board of Directors.

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. All meetings of the Board shall be held within the Community or the Jefferson County area unless all Directors consent in writing to another location.

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 the notice, postage prepaid, at least three (3) days before the 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 a Board member to the Association for the purpose of notice. The notice shall specify the place, day and hour of the meeting. Notice of Board meetings may be included in the Association's newsletter.

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 Jefferson County 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 the 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 or 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:

- (a) 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 that time;
- (b) 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;
- (c) Any action taken under subsections (a) and (b) 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 Protective Covenants and these Bylaws. The Board shall have, subject to the limitations contained in the Protective Covenants, 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, to:

- (a) Exercise any other powers conferred by the Protective Covenants, Bylaws or Articles of Incorporation;
- (b) Adopt and amend Rules and Regulations, including penalties for infraction thereof;
- (c) Adopt and amend budgets subject to any requirements of the Bylaws;
- (d) Keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;
- (e) Collect dues as provided in these Bylaws;
- (f) Employ a managing agent, independent contractors or employees as it deems

necessary, and prescribe their duties;

(g) 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;

(h) Make contracts, administer financial accounts and incur liabilities in the name of the Association.

(i) 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, if any;

(j) 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;

(k) Supervise all persons acting on behalf of and/or at the discretion of the Association;

(l) Procure and maintain liability and hazard insurance as set forth in these Bylaws;

(m) Cause all persons having fiscal responsibilities for the assets of the Association to be insured and/or bonded, as it may deem appropriate;

(n) 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.

Section 7.2 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 Architectural Control Committee 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 a President, Vice-President, Secretary and a 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. The office of Vice President may be vacant.

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 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. A resignation shall take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a 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 the 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:

(a) 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 Members and 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.

(b) 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.

(c) Secretary. The Secretary shall serve as Custodian of the Association's records, with power of re-delegation to such other Committees or individuals as the Directors may designate. The Secretary shall record results of 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, and perform such other duties incident to the office of Secretary or as may be required by the Board.

(d) 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 using generally accepted accounting principles. Except for a budgetary management reserve, the Association has established no reserve funds per se. The Treasurer, with the approval of the Board, shall establish and manage the savings funds of the Association so as to protect and enhance their value by minimizing idle cash and maximizing the use of interest bearing accounts. Since there are no mandatory dues, fines or assessments provided for by the Association, no provision for their mandatory collection is established here. Further, the Treasurer shall keep appropriate, current records showing the Members of the Association together with their mailing and, if possible, e-mail addresses. The Treasurer shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular

annual meeting, and shall deliver a copy of each to the Members present at such annual meeting.

Further, the Treasurer shall cause an independent review to be performed every two years if the annual revenues of the Association remain less than \$250,000 or a full audit if:

- (i) Revenues exceed that figure or
- (ii) If one third or more of the Members so request. These reviews shall be conducted by persons selected by the Board of Directors. Copies of the findings of these reviews or audits shall be permanent Association records and shall be available on request to Members. 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 another Board Member; provided, however, the Officer shall not be relieved of any responsibility under this Section or under Colorado law.

Section 8.8 Execution of Instruments. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by an Officer of the Association or by any other person or persons designated by the Board.

ARTICLE 9. COMMITTEES

Section 9.1 Designated Committees The Association may appoint such committees as deemed appropriate in carrying out its purposes, including, but not limited to, an Architectural Control Committee. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board.

Section 9.2 The Architectural Control Committee (ACC). The Committee shall be responsible to the Board for the dissemination and enforcement of the Association's Protective Covenants with their Rules and Regulations and for the project review and approval of proposed new structures and modifications to existing buildings and landscaping. Alternatively, the Board of Directors may elect to sit and function as the ACC. In discharging its responsibilities, the ACC shall be guided strictly by the provisions of the Association's Protective Covenants with its Rules and Regulations.

- (a) When violations of, or non-compliance with the Covenants or its Rules and Regulations are brought to the attention of the ACC, the ACC shall fully investigate all pertinent facts. If the facts support a finding that a violation or non-compliance exists, the ACC, upon a majority vote, will so notify the resident and request corrective action within a reasonable, specified time. Residents shall be allowed to respond or address the ACC at its meetings to offer any relevant facts that may bear on the issue. The ACC will use its best efforts to obtain compliance. If the problem is not favorably resolved, the ACC may, upon a majority vote, advise non-compliant residents that they may be liable for any legal costs.

(b) To facilitate the project approval process, residents are requested to use the forms provided by the ACC. These forms may be copied from the current Neighborhood Directory, from the Association's Official Web Site or obtained from the ACC. Residents are encouraged to attend the Board meeting when their project is reviewed to provide any additional information that may be needed. The ACC shall approve, in writing, all projects that, in its judgment, comply with the covenants and their implementing instructions. Non-approvals shall likewise be conveyed in writing.

ARTICLE 10. BUDGET AND DUES

Section 10.1 Budget and Dues Date. The annual budget will be posted in the Association's Newsletter at the start of the fiscal year. The dues shall be payable on October 1 of each year.

Section 10.2 Special Assessments In addition to the dues as provided for above, the Association may levy special assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. A proposed Special Assessment must be approved by a Majority of the Members present and voting in person or by proxy or by ballot at a duly called meeting for that purpose.

ARTICLE 11. INSURANCE

Section 11.1 Hazard Insurance on Easement Areas The Association may obtain hazard insurance covering loss, damage or destruction by fire or other casualty to any Improvements, if any, installed or made to any easement area and the other property of the Association.

Section 11.2 Association Liability Insurance The Association may obtain public liability and property damage liability insurance covering any easement area, in such limits as the Board may determine from time to time, covering all claims for bodily injury or property damage.

Section 11.3 Association Fidelity Insurance The Association may obtain fidelity coverage or fidelity bonds to protect against dishonest acts on the parts of its Officers, Directors, Trustees and Employees and on the part of all others who handle or are responsible for handling the funds of the Association, including persons who serve the Association with or without compensation. The fidelity coverage or bonds should be in an amount sufficient to cover the maximum funds that will be in the control of the Association, its officers, directors and any other person who handles Association funds.

Section 11.4 Officers' and Directors' Personal Liability Insurance The Association shall obtain officers' and directors' personal liability insurance to protect the Officers and Directors from personal liability in relation to their duties and responsibilities in acting as Officers and Directors on behalf of the Association.

Article 12. BOOKS AND RECORDS

Section 12.1 Maintenance of Records. The President of the Board of Directors shall appoint a member to maintain Association records. The Appointee shall make Association Records identified in Section 12.2 available to homeowners by request within

a reasonable time period (See Section 12.4 for instructions on how to request records).

The records required in this section must be maintained in writing or in a form that can easily be converted into written form.

Section 12.2 Association Records. Records considered permanent are identified below with parenthetical note. Permanent records are kept permanently and must never be destroyed or thrown away. Other records are kept as identified in the description of the records, but may be retained indefinitely. The Association shall keep the following records at a minimum:

- (a) Copies of the most current versions of the governing documents along with their exhibits and schedules (Permanent Records):
- (b) Articles of Incorporation
- (c) The Declaration
- (d) The Covenants
- (e) The By-Laws, rules and regulations, which include the following policies:
 - i. Conduct of Meetings
 - ii. Enforcement of Covenants
 - iii. Procedures for the adoption and amendment of policies, procedures, rules and regulations
 - iv. Handling of conflicts of interest involving Board members
 - v. Investment of savings and reserve funds
 - vi. Collection of unpaid community assessments
 - vii. Examination, Inspection and copying of association records by unit owners
- (f) Board resolutions affecting homeowners
 - i. Meeting minutes of all owner and Board meetings (Permanent Records)
 - ii. All actions taken by the Board of Homeowners by written ballot instead of holding a meeting (Permanent Records)
 - iii. All actions taken by a Committee on behalf of the Board instead of the Board acting on behalf of the Association (Permanent Records)
 - iv. All waivers of Board, Committee, or homeowner meeting notice requirements (Permanent Records)
- (g) The most recent Annual Association report
- (h) The current operating budget

- (i) A record of insurance coverage maintained by the Association, including company name(s), policy limits, policy deductibles, and expiration date(s)
- (j) All written communications with homeowners
- (k) A list of names and addresses of current Board members
- (l) Results of all financial audits or reviews conducted in the last three years. Current audits or reviews shall be made available no later than 30 days after the audit or review is conducted
- (m) An accounting of all annual dues paid per member, including a record of homeowners and number of votes allocated to each home
- (n) The most recent regularly prepared balance sheet, income and expense statements of the Association
- (o) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant, if any
- (p) Tax returns for state and federal income taxation, if applicable
- (q) Copies of at least the three most recent years' correspondence between the Association and Members
- (r) A list of any and all community assessments, if applicable

Section 12.3 Minutes and Presumptions Hereunder. Minutes or any similar record of the meetings of Members, or the Board of Directors, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to be truthful evidence of the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 12.4 Member's Examination and Disclosure of Records. 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. Requests to inspect documents identified in Section 12 must be made in good faith, for proper purpose, and must be made in writing describing, with reasonable detail, what records are needed and why they are needed. Requested documents must also be relevant to the unit owner's stated purpose for the request. These requests shall provide the following:

- a) Requestor Name
- b) Date of Request
- c) The information requested
- d) The purpose of the request
- e) The identity of any documents to be copied
- f) The reasonable date the documents are needed

The Association shall retain custody and possession of all Association records throughout this copying process. The Board may determine certain individual records to be confidential if they deal with a person's personal information broadly defined as medical, financial, or family information or any information provided to, and accepted by, the Association with the reasonable expectation of privacy. The Board shall maintain its rights to invoke an Attorney - Client Privilege should they determine the situation warrants it. The Requestor of the documents to be copied must pay for actual copying costs.

Section 12.5 Annual Disclosure. Pursuant to Colorado State Law, the Board shall disclose to the Members, at least once a year and within 90 days after the end of the Association's fiscal year, the following information:

- a) The Association name
- b) The name of any designated agent or management company for the Association, if applicable
- c) The physical address and telephone number for the Association and any designated agent or management company, if applicable
- d) The name of the common interest community
- e) The Declaration's reception number or book and page where the declaration is located

If any of the information for Annual Disclosure changes, the Association shall, within 90 days, give written notice to the membership in the monthly newsletter or by other reliable means.

Section 12.6 Additional Prepared Information In addition, the State of Colorado requires that the Association shall prepare so as to have ready for distribution within 90 days from request, (if requested), the following information:

- (a) The date the fiscal year begins;
- (b) The operating budget for the current fiscal year;
- (c) A list of any and all assessments (should any ever be established);
- (d) The Association's annual financial statements, including all money held in reserve (should such a reserve ever be established);
- (e) The results of any current financial audits or reviews;
- (f) A list of all insurance policies with all their pertinent details;
- (g) The Association's Bylaws, Articles and Rules and Regulations;
- (h) The Board meeting and Member meeting minutes for the preceding one year

period; and

(i) The Association's "seven responsible governance policies" (all contained within these Bylaws) concerning:

- (1) Collection of unpaid assessments (should any ever be established);
- (2) Handling of conflicts of interest involving Board Members;
- (3) Conduct of meetings;
- (4) Enforcement of covenants and rules;
- (5) Inspection and copying of Association records by unit owners;
- (6) Investment of savings and reserve funds (should reserve funds ever be established); and
- (7) Procedures for the adoption and amendment of policies, rules and regulations.

ARTICLE 13. AMENDMENTS

Section 13.1 Bylaw Amendments. These Bylaws may be amended by a vote of two-thirds (2/3) of the members of the Board of Directors, following notice and comment to all Members, at any meeting duly called for such purpose.

ARTICLE 14. INDEMNIFICATION

Section 14.1 Obligation to Indemnify.

(a) The Association shall indemnify any person:

- (i) 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);
- (ii) By reason of the fact that that person is or was a Director, Officer or committee member of the Association;
- (iii) Provided that the person is or was serving at the request of the Association in such capacity;
- (iv) But no indemnification shall be made where the person has been adjudged to be liable for negligence or misconduct in the performance of his or her duties to the Association, unless a court determines that, despite the adjudication of liability, but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses if the court

deems proper.

(b) The Association's obligation for indemnification shall include:

- (i) Actual and reasonable expenses (including expert witness fees, attorneys' fees and costs);
- (ii) Judgments and fines; and
- (iii) Reasonable amounts paid in settlement.

(c) The Association shall indemnify when the person identified in subsection (a) of this Section:

- (i) Acted in good faith, and;
- (ii) In a manner which the person reasonably believed to be in the best interests of the Association, and;
- (iii) With respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful;
- (iv) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person shall be indemnified against actual and reasonable expenses (including expert witness fees, attorneys' fees and costs) incurred in connection with the action, suit or proceeding.

Section 14.2 Determination Required.

(a) The Board of Directors shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination shall be made by the Board of Directors:

- (i) By majority vote of a quorum consisting of those members of the Board of Directors who were not parties to the action, suit or proceeding, or;
- (ii) By independent legal counsel in a written opinion if a majority of those members of the Board of Directors who were not parties to the action, suit or proceeding so directs, or;

(b) Additionally, the determination may be made by:

- (i) By a vote of the Members if a majority of those members of the Board of Directors who were not parties to the action, suit or proceeding so directs.

(c) 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 14.3 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:

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

Section 14.4 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. § 3833.3-101, et seq., and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 14.5 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 the person by virtue of the 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 the person against liability under provisions of this Article.

ARTICLE 15. LEGAL MATTERS

Section 15.1 Attorney Fees. In all enforcement correspondence with non-compliant parties, the Association shall place those affected residents on notice that they may be liable for court costs and attorney fees when the Association is enforcing the covenants and their implementing rules. At that point the Association, at the Board's discretion, shall be free to seek reimbursement for these costs with a non-prevailing party. However, residents who are the prevailing party in a legal action shall not bear a pro rata share of the costs of pursuing their case.

Section 15.2 Alternate Dispute Resolution (ADR). While it is the Colorado Legislature's recommendation that Alternate Dispute Resolution be used in protecting the rights of the Association's members, when selecting its venue, the Board shall be guided primarily by the best interests, in each individual case, of the Membership in seeking judicial remedies.

Section 15.3 Termination of Contracts. The Colorado Legislature has placed Homeowner Associations on notice that their agents and contractors may not seek certain advantages by invoking their status as Association contractors or agents. To protect the

Association, our contracts should contain provision for termination of contract for cause.

Section 15.4 Attorney-Client Relationship. Once the Board has resolved any matter for which they sought legal advice or were concerned with litigation, the Board has, and may exercise, the statutory discretion to decide whether to disclose such communication publicly or to preserve its attorney-client relationship.

ARTICLE 16. MISCELLANEOUS

Section 16.1 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association.

Section 16.2 Notices All notices to the Association or the Board shall be delivered to the office of the Association, or to such other address as the Board may designate by written notice to all Owners; these notices may also be mailed. 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 16.3 Conflicts. In the case of any conflicts between the Protective Covenants and these Bylaws or the Articles of Incorporation, the terms of the Protective Covenants 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 16.4 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 the approval in writing by two-thirds (2/3) of the members of the Board of Directors, following notice and comment to all Members, at a meeting duly called for such purpose.

FOR

**COLUMBINE KNOLLS SOUTH/ESTATES
HOMEOWNER'S ASSOCIATION, INC.**
A Colorado Nonprofit Corporation

By; _____
Secretary Date

This version of these bylaws contains amendment one in Article I which points out that this is a voluntary association and therefore not subject to the Colorado Common Interest Ownership Act and further, is not a Common Interest Community. Those portions of Colorado law that are incorporated herein are for guidance and not for compliance.