

AMENDED AND RESTATED
BYLAWS
OF
ELK VALLEY ESTATES HOMEOWNERS ASSOCIATION

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**AMENDED AND RESTATED
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OF
ELK VALLEY ESTATES HOMEOWNERS ASSOCIATION**

RECITALS

Elk Valley Estates Homeowners Association, a Colorado nonprofit corporation (“Association”), certifies that:

(1) The Association and its Members desire to amend and restate the Bylaws currently in effect as set forth below.

(2) 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 XI, inclusive, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSES

Section 1.1 Introduction. These Amended and Restated Bylaws are adopted for the regulation, management and governance of the affairs of the Association. The Association was organized as a Colorado nonprofit corporation under Colorado law to act as the Association under the Restated Declaration of Protective Covenants, Conditions and Restrictions, as Amended, Elk Valley Estates, as may be amended (the “Declaration”).

Section 1.2 Purposes. The purposes for which the Association is formed are:

- (a) to protect the value and desirability of the Elk Valley Estates community (the “Community”) and the Lots;
- (b) to further the interests of the residents of the Community and Members of the Association;
- (c) to be the owners association provided for in the Declaration;
- (d) to operate and govern the Community;
- (e) to provide for the administration, maintenance, preservation and architectural review of the Lots and Common Area within the Community; and
- (f) to promote the health, safety, welfare and recreation of the Owners within the Community.

ARTICLE 2. DEFINITIONS

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

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 Assessment shall include all Common Expense Assessments and any other expense levied to Lots pursuant to or allowed under the Declaration or the Act, including interest, late fees, attorney fees, fines and costs.

Section 2.3 Association shall mean and refer to the Elk Valley Estates Homeowners Association, and its successors and assigns. This term may be used interchangeably with “E.V.E.”, “HOA”, “E.V.E. Homeowners Association”.

Section 2.4 Board or Board of Directors shall mean the body designated in the Governing Documents to act on behalf of the Association.

Section 2.5 Common Area shall mean all real property owned by the Association for the common use and enjoyment of the Owners, including the Community Facilities, as further defined in the Declaration.

Section 2.6 Common Expenses shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 2.7 Community or Elk Valley Estates Community or E.V.E. Community shall mean the Elk Valley Estates Planned Community, as further defined by the recorded plats and the Declaration.

Section 2.8 Declaration shall mean and refer to the Amended and Restated Declaration of Protective Covenants, Conditions and Restrictions, Elk Valley Estates, as may be amended, applicable to the Property recorded in the office of the Clerk and Recorder of Teller County, Colorado.

Section 2.9 Governing Documents shall mean the Declaration, the Map, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Elk Valley Estates Homeowners Association, as they may be amended.

Section 2.10 Lot shall mean and refer to those 33 separate parcels shown upon the Map of the Property, as more particularly described in the Declaration, together with all appurtenances thereto and improvements now or hereafter located thereon, with the exception of the Common Area. The terms “Lot” and “Estate” may be used interchangeably.

Section 2.11 Member shall mean any Owner. The terms “Member” and “Owner” may be used interchangeably.

Section 2.12 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 an interest merely as security for the performance of an obligation and those holding a leasehold interest that may be of record, and those holding an easement interest of record.

Section 2.13 Property shall mean the property described in or which is subject to the Declaration together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon.

ARTICLE 3. MEMBERSHIP AND VOTING

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 vote. Fractional and cumulative voting are prohibited.

Section 3.2 Suspension of Voting Rights and Use 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 the Owner shall be deemed suspended by the Board of Directors, without notice or hearing, until the Assessment has been paid. Voting rights and use rights of an Owner may also be suspended for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater.

Section 3.3 Member Voting. (a) At all meetings of Members, each Member eligible to vote may vote in person or by proxy. (b) 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. (c) 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. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted. (d) 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. (e) 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. (f) The vote of a limited liability company may be cast by any manager of the company or, if authorized by a manager, any member

designated in writing by a manager. (g) The vote of a revocable trust may be cast by any trustee or beneficiary of the trust or any spouse of a trustee or beneficiary of the trust. (h) 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. (i) Votes allocated to Lots owned by the Association may be cast by the Board.

Section 3.4 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. To the extent reasonably practicable, the Board shall endeavor to hold annual meetings between the middle of September and the middle of October of each year to avoid possible inclement weather that could hamper attendance by Members who live out-of-state. The directors shall be elected by the Members at the annual meeting, in accordance with the provisions of these Bylaws. The Members may transact other business as may properly come before them at the annual meeting. 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 Owners holding 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 30 days after the date the written demand or demands are delivered to the secretary, the person(s) 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. Notice of each meeting of the Members shall be physically posted in a conspicuous place if feasible and practicable at least 24 hours prior to any meeting of the Members. 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 the notice, postage prepaid, or by personal delivery, at least 30 days before an annual meeting and at least 10 days before a special meeting, but not more than 50 days before any such annual or special meeting, to each Member, 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. In addition to mailing, but not in lieu of, notice may also be sent by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, facsimile and e-mail delivery. If the Association has the ability to give electronic notice, the Association shall e-mail

notice of the Members' meeting to any Member who requests, and who provides his or her e-mail address to the Association in addition to the above specified delivery of notice. Such e-mail notice shall be given at substantially the same time as the notice by mail required above. 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 the Elk Valley Estates Community, or in any other location in the Teller 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 one third (1/3) 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 Governing Documents. If the required quorum is not present, the Members who are present shall have power to schedule another meeting at a later date, with notice of the new date, time or place given for the subsequent meeting in the same manner as the initial meeting.

Section 4.6 Proxies for Members Meetings. (a) The vote allocated to a Lot may be cast under a proxy duly executed by an Owner and given to (i) another Owner, (ii) anyone who is entitled to cast the vote for an Owner as provided in Section 3.3 above, (iii) any member of the Owner's family, or (iv) any person holding a power of attorney granted by the Owner. (b) All proxies shall be in writing and filed with the secretary or designee of the Association. (c) 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. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted. (d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over a meeting of the Association. (e) A proxy is void if it is not dated. (f) A proxy terminates 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. (g) Proxies obtained through fraud or misrepresentation are invalid as determined in the sole discretion of the Secretary of the Association.

Section 4.7 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 was not given is put to a vote.

Section 4.8 Voting Procedures/Secret Balloting.

(a) Secret ballots must be used in contested Board member elections and upon the request of 20% of the Members present, in person or by proxy, at the Membership meeting.

(b) All other voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Board of Directors prior to the meeting or by a majority of the Members present at a meeting.

Section 4.9 Voting by Mail or Electronic Means.

(a) In case of a vote by mail or electronic means in lieu of, or in conjunction with, a meeting, 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, and shall e-mail the notice to all Members who have requested notices by e-mail notices at each such Member's e-mail 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 10 business 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 or electronic means shall be acceptable in all instances in the Governing Documents requiring the vote of Members at a meeting.

(b) The Association 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.

Section 4.10 Voting in Elections of Directors/Other Voting. In an election of directors, the Members receiving the largest number of votes shall be elected. On all other items, the vote of more than 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 Governing Documents, as amended, or by law.

Section 4.11 Acceptance or Rejection of Individual Votes. The Association has the right to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation when it has a reasonable, good faith basis to doubt the validity of the signature or the signatory's authority to sign for the Owner. The Association and its officer or agent who accepts or rejects any of the above in good faith is not liable for any

damages that may result from the acceptance or rejection. Unless a court decides otherwise, any action taken on the acceptance or rejection of any of the above will be deemed valid.

Section 4.12 Counting of Ballots. All ballots shall be counted by a neutral third party, or a committee of volunteers who are not Board members and not candidates in a contested election, selected or appointed at an open meeting in a fair manner by the chair of the Board or person presiding at such meeting or as otherwise required by law and as may be further defined by policy or procedures of the Association.

ARTICLE 5. BOARD

Section 5.1 Number. The affairs of the Association shall be governed by a Board of Directors which shall consist of five (5) members, elected or appointed as provided below. In the case where through death, resignation, removal, disqualification, or any other cause, the total number of Board members is less than five (5), 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, but not increased to more than five (5) or decreased to less than three (3), unless the Governing Documents are amended to permit such increase or decrease and any such increase or decrease is otherwise permitted by applicable law.

Section 5.2 Qualification.

(a) Only one Owner per Lot, at least 18 years of age, 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.

(b) If any Lot is owned by a partnership, corporation or trust, any officer, partner, or trustee of that entity shall be eligible to serve as a director and shall be deemed to be a Member for the purposes of these Bylaws.

(c) If a director does not cure any delinquency in the payment of any Assessment within thirty (30) days after written notice of such delinquency, then the director shall not be qualified to serve on the Board.

(d) Any director who has unexcused absences from three consecutive Board meetings shall not be qualified to serve on the Board. An absence will be excused if the absent Board member notifies the Board president of the planned absence and the reason for the absence at least three days before the meeting, and a majority of the remaining Board members approve the absence as being for a valid purpose.

(e) Any director who is in violation of any provision of the Governing Documents of the Association for more than 30 days shall not be qualified to serve on the Board.

(f) Any director who maintains an adversarial proceeding of any type against the Association shall not be qualified to serve on the Board for the duration of the proceeding.

(g) Any director who discloses confidential information acquired by virtue of his or her position on the Board shall not be qualified to serve on the Board. Information will be deemed “confidential” if a majority of the Board of Directors determines, in its sole discretion and as may be reviewed by the attorney of the Association, that it is confidential prior to the disclosure. The Board may also adopt rules, regulations, policies, and/or procedures further addressing confidentiality.

(h) Once elected or appointed, each director may attend at least one educational program per year related to the management, operation or law of community associations. The director shall be entitled to reimbursement of any actual or necessary expenses incurred in attending such educational program(s), as long as approved, in advance, by the Board of Directors, but not to exceed the sum of \$500 per year per director. Any such expenses shall be treated as a Common Expense.

(i) If a director is not qualified to serve on the Board, the director’s position shall be deemed vacant upon written notice by the Board to the director of such disqualification. If permitted by applicable law, (aa) a disqualified director shall not be entitled to vote on matters coming before the Board, and (bb) the remaining members of the Board may fill such vacant position as provided in Section 5.6 below. If replacement of the disqualified director by the remaining members of the Board is not permitted by applicable law, the Board may call a special meeting of the Members to remove the disqualified member of the Board, as provided in C.R.S. § 38-33.3-303(8).

Section 5.3 Term of Office for Directors. The term of office of directors shall be one year.

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 all Members. Notice of a Special Meeting of the Members to remove directors shall set forth that the meeting is being conducted for that purpose and 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 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 unexpired 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 remaining 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 5.7 Compensation. No director shall receive compensation for any service the director may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties and/or provided a stipend, if allowed by state law.

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 such scheduled regular meetings. The Board shall furnish its schedule of meetings to the Members; provided, if no regular schedule is adopted, the Board shall give the Members as much advance notice of its meetings as may be reasonably practicable and by any means deemed reasonable by the Board.

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 two days' notice to each director.

Section 6.3 Notice of Special Board Meetings. Written notice of each special meeting of the Board shall be given by, or at the direction of, the secretary, by mailing a copy of the notice, postage prepaid, at least two 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. If a notice for a special meeting demanded pursuant to Section 6.2 is not given by the Board within 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 above terms of this Section 6.3. 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.

Section 6.4 Location of Meetings and Open Meetings. (a) All meetings of the Board of Directors shall be open to attendance by Members, as provided by applicable Colorado law. (b) All meetings of the Board of Directors shall be held in the Community or in the Teller County area, unless all directors consent in writing to another location. (c) All meetings of the Board of Directors may be conducted in person, via conference call, via electronic means, or via any other method permitted by applicable Colorado law. (d) Rules and Regulations may be adopted in open meetings of the Board, and may not be adopted in closed or executive sessions of the Board. (e) For any executive session or closed Board meeting, minutes kept for that part of the meeting should only indicate that an executive session was held and the general subject of the executive session.

Matters for discussion during executive session are limited to the following:

- (a) Matters pertaining employees;
- (b) Consultation with legal counsel concerning disputes that are subject to pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure (e.g., medical records, social security numbers, etc.);
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

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 currently in office shall constitute a quorum for the transaction of business, unless there are fewer than three 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 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 Board Action Without a Meeting. The directors shall have the right to take any action, except the adoption of a rule or regulation, in the absence of a meeting, which they could otherwise have taken at a meeting, if the action is unanimously approved by the Directors. Unanimous approval must evidence by a consent in writing setting forth the action so taken and signed by all of the Directors, and such writing shall be filed with the minutes of the proceedings of the Board.

Section 6.9 Telephone or Electronic 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.

Section 6.10 Unit Owner Participation. Owners must be allowed to speak before the Board votes on any issue under discussion. The Board shall allow a reasonable number of persons to speak on each side of the issue, but the Board may place reasonable restrictions on the time allowed for each Owner to speak. Owners may also be allowed to speak at such other times as the Board, in its sole discretion, deems appropriate.

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 Governing Documents 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:

- (a) Exercise any other powers conferred by the Governing Documents;
- (b) Adopt and amend Rules and Regulations, including responsible governance policies, procedures and rules and regulations as required by the Act, and including penalties for infraction thereof;

- (c) Adopt and amend budgets (subject to any requirements of the Declaration);
- (d) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;
- (e) Collect Assessments as provided by the Governing Documents;
- (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) Provide Association disclosures required by, and pursuant to, the Act;
- (i) Make contracts, administer financial accounts and incur liabilities in the name of the Association;
- (j) Acquire and hold in the Association's name and in the ordinary course of business, any right, title or interest to real estate, pursuant to the consent requirements set forth in the Governing Documents, if any;
- (k) Encumber or convey, upon approval of sixty-seven percent (67%) of the Members of the Association, Common Area of the Association;
- (l) Upon approval of sixty-seven percent (67%) of the Members, grant any easement, right-of-way, license, lease, dedication or similar interest through, over or in the Common Area;
- (m) Borrow funds and secure loans with an interest in future Assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary and give security therefore, subject to the requirements set forth in the Declaration;
- (n) 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;

- (o) Supervise all persons acting on behalf of and/or at the discretion of the Association;
- (p) Procure and maintain liability and hazard insurance as set forth in the Declaration;
- (q) Cause all persons having fiscal responsibilities for the assets of the Association to be insured and/or bonded, as it may deem appropriate;
- (r) Provide education to Owners on an annual basis; and
- (s) 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 a president, vice-president, secretary and a treasurer, who are all required to be Directors, and such other officers as the Board may from time to time create by resolution. Any two offices, except the offices of president and secretary, may be held by the same person. All officers shall be at least 18 years old.

Section 8.2 Election of Officers. The officers shall be elected by the Board for one year terms at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.3 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 8.4 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 replaced.

Section 8.5 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. Specifically, the president shall have the power to preside at all meetings of the Board of Directors and of the Members; appoint committees; see that orders and resolutions of the Board are carried out; sign 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 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; cause Association records to be kept and maintained; and perform such other duties incident to the office of secretary or as required by the Board, including signing documents of the Association.

(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; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the 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, including signing documents of the Association.

Section 8.6 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 create committees and appoint such committee members as deemed appropriate in carrying out its purposes, including an Architectural Review Committee. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board.

The Board shall also have the power to remove any and all committee members with or without cause and to terminate any such committee.

Section 9.2 Open Committee Meetings. All committee meetings shall be open to attendance by Members, as provided by applicable law.

ARTICLE 10. BOOKS AND RECORDS

Section 10.1 Association Records.

(a) The Association or its managing agent, if any, shall keep the following records permanently at its principal office, as required by the Act:

- (i) Minutes of all Board and Owner meetings;
- (ii) All actions taken by the Board or Owners by written ballot instead of holding a meeting;
- (iii) All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association; and
- (iv) All waivers of the notice requirements for Owner meetings, Board member meetings, or committee meetings.

(b) The Association or its managing agent, if any, shall keep the following records at its principal office for such length as determined by the Board:

- (i) 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 Assessment comes due, any other fees payable by the Owner, the amounts paid on the account and the balance due;
- (ii) An account for each Owner showing any other fees payable by the Owner;
- (iii) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
- (iv) The current operating budget;
- (v) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
- (vi) A record of insurance coverage provided for the benefit of Owners and the Association;

- (vii) Tax returns for state and federal income taxation;
 - (viii) Minutes of meetings of the Owners, directors, committees and waivers of notice, if any;
 - (ix) Copies of at least the three most recent years' correspondence between the Association and Owners;
 - (x) Copies of the most current versions of the Governing Documents, along with their exhibits and schedules;
 - (xi) Board resolutions affecting Owners;
 - (xii) Records of any actions taken by Owners without a meeting for at least the past three years;
 - (xiii) A list of the names and business or home addresses of current Board and its officers; and
 - (xiv) All financial audits or review conducted pursuant to Section 38-33.3-303(4)(b) of the Act for at least the last three years.
- (c) The Association or its managing agent, if any, must maintain a record of all Owners that allows preparation of a list of the names and addresses of all Owners as well as number of votes allocated to each Lot.

Section 10.2 Minutes and Presumptions Under the Minutes. Minutes or any similar record of the meetings of Members, or of the Board of Directors, when signed by the secretary or acting secretary of the meeting, shall be presumed to truthfully evidence 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 10.3 Examination. The books, records and papers of the Association shall at all times, during normal business hours and after at least five days written notice, or at the next scheduled Board meeting if within 30 days of demand, be subject to inspection and copying by any Member, at his or her expense, except documents determined by the Board to be confidential pursuant to a written policy or applicable law. Any Owner's request to inspect and copy Association records must be made in good faith, for a proper purpose, and describe with reasonable detail what records are requested and why. Requested documents must be relevant to the stated purpose for the request. The Association may charge the actual costs for copying of the records.

ARTICLE 11. AMENDMENTS

Section 11.1 Bylaw Amendments. These Bylaws may be amended by:

(a) The affirmative vote of a majority of the members of the Board of Directors at a duly constituted meeting, except for (i) any amendment to the quorum requirement, or (ii) any amendment to a provision requiring the approval or vote of the Members, both of which must be presented to the Members for approval pursuant to subsection (b) below; or

(b) The affirmative vote of sixty-seven percent (67%) of the Members, in person or by proxy, at a regular or special meeting of the Members called for such purpose at which a quorum is present, provided that notice has been sent to all Members pursuant to these Bylaws, and such notice sets forth that the meeting is being conducted for the purpose of amendment; provided, however, to the fullest extent permitted by applicable law, if any provision of these Bylaws requires a vote of greater than 67% of the Members or requires unanimous approval of the Members, then amendment of that provision requires the same number of votes as specified in that provision or unanimous approval, as applicable.

ARTICLE 12. INDEMNIFICATION

Section 12.1 Obligation to Indemnify.

(a) The Association shall indemnify any person 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; by reason of the fact that the person is or was a director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity; and provided that the person:

(i) acted in good faith, and;

(ii) in a manner that the person reasonably believed to be in the best interests of the Association, and;

(iii) with respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The 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 no reasonable cause to believe the conduct was unlawful.

(b) Notwithstanding anything in subsection (a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification shall be made:

(i) In connection with a proceeding by or in the right of the Association, where the person has been adjudged to be liable to the Association; or

(ii) In connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) 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, attorney fees and costs) incurred in connection with the action, suit or proceeding.

Section 12.2 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 by a majority vote of a quorum consisting of those members of the Board of Directors who were not parties to the action suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by:

(i) independent legal counsel selected by a majority of the full Board; or

(ii) by the voting members, but voting members who are also at the same time seeking indemnification may not vote on the determination.

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:

(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 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 shall 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 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.

CERTIFICATION

By signature below, the secretary of the Board of Directors certifies these Amended and Restated Bylaws received the approval in writing by Affirmative vote of 2/3 of the votes entitled to be cast at any meeting of the Members.

[Remainder of this page intentionally left blank]

**ELK VALLEY ESTATES HOMEOWNERS
ASSOCIATION**, a Colorado nonprofit corporation

By: _____
Secretary

Date: _____