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AMENDED AND RESTATED BYLAWS
OF
RUEDI SHORES HOMEOWNERS' ASSOCIATION, INC.

TABLE OF CONTENTS

ARTICLE 1. INTRODUCTION AND PURPOSE 1

ARTICLE 2. DEFINITIONS 1

ARTICLE 3. MEMBERSHIP AND VOTING 1

SECTION 3.1 MEMBERSHIP 1
SECTION 3.2 SUSPENSION OF MEMBER RIGHTS 1
SECTION 3.3 MEMBER VOTING 2
SECTION 3.4 PROXIES 2
SECTION 3.5 VOTING PROCEDURES 3
SECTION 3.6 VOTING BY MAIL OR ELECTRONIC MEANS IN LIEU OF A MEETING 3
SECTION 3.7 VOTING IN ELECTIONS OF DIRECTORS/OTHER VOTING 3
SECTION 3.8 VOTING LIST/MEMBERSHIP LIST 3
SECTION 3.9 LIMITATION ON USE OF VOTING LIST/MEMBERSHIP LIST 4
SECTION 3.10 TRANSFER OF MEMBERSHIP 4

ARTICLE 4. MEETINGS OF MEMBERS 4

SECTION 4.1 ANNUAL MEETINGS 4
SECTION 4.2 BUDGET MEETINGS 4
SECTION 4.3 SPECIAL MEETINGS 4
SECTION 4.4 RECORD DATE 5
SECTION 4.5 NOTICE OF MEETINGS 5
SECTION 4.6 PLACE OF MEETING 5
SECTION 4.7 QUORUM 5
SECTION 4.8 ADJOURNED AND RECONVENED MEETINGS 5
SECTION 4.9 ORDER OF BUSINESS 5
SECTION 4.10 WAIVER OF NOTICE 5

ARTICLE 5. BOARD OF DIRECTORS 6

SECTION 5.1 NUMBER OF DIRECTORS 6
SECTION 5.2 QUALIFICATIONS OF DIRECTORS 6
SECTION 5.3 NOMINATING COMMITTEE 6
SECTION 5.4 TERM OF OFFICE 6
SECTION 5.5 RESIGNATION 6
SECTION 5.6 REMOVAL OF DIRECTORS 7
SECTION 5.7 VACANCIES 7
SECTION 5.8 COMPENSATION 7

ARTICLE 6. MEETINGS OF THE BOARD OF DIRECTORS 7

SECTION 6.1 MEETING LOCATION AND OPEN MEETINGS 7
SECTION 6.2 REGULAR MEETINGS 7
SECTION 6.3 SPECIAL MEETINGS 7
SECTION 6.4 ORGANIZATIONAL MEETING 7
SECTION 6.5 NOTICE OF BOARD MEETINGS 7
SECTION 6.6 WAIVER OF NOTICE 8
SECTION 6.7 QUORUM AND VOTING 8
SECTION 6.8 DIRECTOR PROXIES 8
SECTION 6.9 ACTION WITHOUT A MEETING 8

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS 8

SECTION 7.1 POWERS OF THE BOARD OF DIRECTORS 8

Section 7.2 Duties of the Board of Directors. 9

ARTICLE 8. OFFICERS AND DUTIES 10

Section 8.1 Designation and Qualification 10
Section 8.2 Election and Terms of Office 10
Section 8.3 Resignation and Removal of Officers 10
Section 8.4 Vacancies 10
Section 8.5 Officers' Duties 10

ARTICLE 9. STANDARD OF CONDUCT FOR DIRECTORS AND OFFICERS 11

Section 9.1 Standard of Conduct for Directors and Officers 11

ARTICLE 10. ASSOCIATION RECORDS 11

Section 10.1 Records and the Right to Inspect Records 11
Section 10.2 Disclosure of Records 12
Section 10.3 Minutes 12

ARTICLE 11. INDEMNIFICATION 12

Section 11.1 Obligation to Indemnify 12
Section 11.2 Determination Required on Indemnification 13
Section 11.3 Payment in Advance of Final Disposition 13
Section 11.4 No Limitation of Indemnification Rights 13

ARTICLE 12. AMENDMENT 13

ARTICLE 13. MISCELLANEOUS 13

Section 13.1 Electronic Communications 13
Section 13.2 Fiscal Year 14
Section 13.3 Notices 14
Section 13.4 Conflicts 14
Section 13.5 Waiver 14
Section 13.6 Interpretation 14
Section 13.7 Severability 14

AMENDED AND RESTATED BYLAWS
OF
RUEDI SHORES HOMEOWNERS' ASSOCIATION, INC.

RECITALS

Ruedi Shores Homeowners' Association, Inc., a Colorado nonprofit corporation ("Association"), certifies that:

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

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

C. The Bylaws of the Association are amended by striking all articles in their entirety, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSE

The Association is a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

These Amended and Restated Bylaws are adopted to regulate and manage the affairs of the Association. The Association's purposes are to: act as the owners' association pursuant to the Amended and Restated Protective Covenants of Ruedi Shores Subdivision, as may be amended from time to time (the "Declaration"); operate and govern the community known as Ruedi Shores or the "Community;" provide for the administration, maintenance, preservation, and architectural review of the lots and common areas within Ruedi Shores; and preserve the value and desirability of the Community and further the interests of the residents of the Community.

ARTICLE 2. DEFINITIONS

As used in these Bylaws, the term "Owner" means the record titleholder of a lot within the Community, but does not include a mortgage holder. The term "Member" means any Owner. The terms "Member" and "Owner" may be used interchangeably. For purposes of these Bylaws, the term "Governing Documents" refers to the Declaration, Articles of Incorporation, Bylaws, Policies and Procedures, and Rules and Regulations, if any. The term "Act" refers to the Colorado Common Interest Ownership Act.

ARTICLE 3. MEMBERSHIP AND VOTING

Section 3.1 **Membership**. Every person who is an Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any lot. Ownership of the lot is the sole qualification for membership.

Section 3.2 **Suspension of Member Rights**. Without notice or hearing, during any period in which a Member is in default in the payment of any assessment levied by the Association, the Member's voting rights shall be suspended. After notice and an opportunity for a hearing, a Member's voting rights 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) The Owner of a lot is entitled to one equally weighted vote for the lot.

(b) Each Member eligible to vote may vote in person or by proxy at all Member meetings.

(c) If only one of several Owners of a lot is present at a Member meeting, the Owner present is entitled to cast the vote allocated to the lot.

(d) If more than one of the Owners are present, the vote allocated to the lot may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement is deemed to exist 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. If co-Owners disagree or attempt to cast more than one vote, no such votes will be counted.

(e) In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any manager of that limited liability company, the vote of a corporation may be cast by any officer of that corporation, and the vote of a trust may be cast by any trustee of that trust.

(f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a partnership, limited liability company, corporation, or trust is qualified to vote.

(g) Votes allocated to lots owned by the Association, if any, maybe cast by the Board of Directors.

Section 3.4 **Proxies**.

(a) The vote allocated to a lot may be cast at a member meeting under a proxy duly executed by an Owner.

(b) All proxies will be in writing and filed with the secretary or designee of the Association at or prior to the meeting.

(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 will not be counted.

(d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over the meeting.

(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.

A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 3.5 **Voting Procedures**.

(a) Votes for contested positions on the Board of Directors will be taken by secret ballot.

(b) At the discretion of the Board or upon request of 20% of the Members who are present in person or by proxy at a meeting at which a quorum is present, a vote on any matter affecting the Community on which all Owners are entitled to vote will be by secret ballot.

(c) A neutral third party or a committee of volunteers will count the ballots. The volunteers will be Members selected or appointed at an open meeting, in a fair manner, by the president or another person presiding during that portion of the meeting. The volunteers will not be Board members, and in the case of a contested election for a Board position, will not be candidates. The results of a vote taken by secret ballot will be reported without reference to Members' names, addresses, or other identifying information.

(d) 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; provided, however, if secret balloting is required, the means of voting must protect the secrecy of the ballot.

Section 3.6 **Voting by Mail or Electronic Means in Lieu of a Meeting**.

(a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary will mail or deliver written notice to all Members at each Member's address as it appears in the Association's records given for notice purposes. The notice will 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 ten days after the date such notice will have been given, on or before which all votes must be received at the Association's office 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 will be acceptable in all instances in the Declaration, Articles of Incorporation, or these Bylaws 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 it adopts; provided, however, that any procedures adopted will provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Association Member for a vacant position, subject to the nominated Member's consent, and will provide that a system is established to maintain the secrecy of ballots in contested elections as required by the Act.

Section 3.7 **Voting in Elections of Directors/Other Voting**. In an election of directors, the candidates receiving the largest number of votes will be elected. Cumulative voting is prohibited in the election of directors. On all other items, the vote of more than 50% of Members voting at a meeting at which at least a quorum is present will constitute a majority, and will be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation, as amended, or by law.

Section 3.8 **Voting List/Membership List**. The Association will maintain a record of the names of all Owners in a form that permits preparation of a list of the Members' names and physical addresses at which the Association communicates with them, and the number of votes each Member is entitled to vote. At all times, the list will be available for inspection and copying in accordance with the Association's records inspection policy.

Section 3.9 **Limitation on Use of Voting List/Membership List**. Unless the Board of Directors gives its prior consent, the Association's voting lists and membership list, or any part thereof, may not be: (a) obtained or used by any person for any purpose unrelated to a Member's interest as a Member; (b) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election by the Association; (c) used for any commercial purpose; or (d) sold to or purchased by any person.

Section 3.10 **Transfer of Membership**. Transfer of memberships will be made on the Association's books only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the lot. Prior to presentation of such evidence, the Association may treat the previous Owner as the Member entitled to all rights connected with a membership, including the rights to vote and to receive notice, without liability.

ARTICLE 4. MEETINGS OF MEMBERS

Section 4.1 **Annual Meetings**. An annual meeting of the Members will be held during each of the Association's fiscal years. At these meetings, the directors will be elected by the Members, in accordance with the Bylaws. Failure to hold an annual meeting will not affect the validity of any corporate action and will not be considered a forfeiture or dissolution of the Association.

Section 4.2 **Budget Meetings**. Meetings to consider proposed budgets will be called in accordance with the Act. The Act's budget process allows a percentage of the membership to veto a proposed budget adopted by the Board. The Act's budget process is as follows:

(a) Within 90 days after the Board of Directors adopts the proposed budget, or such longer time as allowed by the Act, the Board of Directors will mail or deliver a summary of the proposed budget to those entitled to vote and set a date for a special or annual meeting to consider ratification of the proposed budget.

(b) Notice for the meeting at which the budget will be considered must be mailed not less than ten days nor more than 50 days before the meeting, or such longer time as allowed by the Act.

(c) At the meeting, unless Members holding a majority of the votes in the Association vote to reject the proposed budget, the proposed budget is ratified and becomes the approved budget of the Association.

(d) A quorum is not required at the meeting if the meeting is only a budget meeting. If the meeting is also an annual or special member meeting at which other business is to be conducted, a quorum is required for any other business conducted, but is not required for ratification of the budget.

(e) If the proposed budget is rejected by a majority vote, the budget last ratified continues until a subsequent budget proposed by the Board of Directors is ratified.

Section 4.3 **Special Meetings**. Special meetings of the Members 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 written petition signed by Members comprising at least 20% of the total votes of the Association. A written petition by the Members must identify the special meeting purpose on each page of the petition, which must be a purpose for which the Association membership is authorized to act under the Governing Documents. The Board of Directors will determine the form of notice, and the date, time, and place of the meeting. If the secretary does not give notice for a special meeting demanded pursuant to a proper petition within 30 days after the date the written demand(s) is delivered to the secretary, the person(s) signing the demand(s) 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 will be conducted by the president of the Board, or in his absence, a person chosen by a majority of the Board.

Section 4.4 **Record Date**. The record date for determining Members entitled to notice of any Member meeting will be the date of the notice of the meeting, unless the record date is otherwise determined by the Board.

Section 4.5 **Notice of Meetings**. Written notice of each Member meeting will be given to each Member entitled to vote 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 hand delivery, at least ten days before, but not more than 50 days before the meeting, addressed to the Member's address last appearing on the Association's books, or supplied by a Member to the Association for the purpose of notice. The notice will also be physically posted in a conspicuous place in the Community, if feasible. In addition, if electronic means are available, notice will be sent by e-mail to any Member who requests e-mail delivery and furnishes the Association with his e-mail address at least 24 hours before the meeting. The notice will specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. No matters will be heard nor action adopted at a special meeting except as stated or allowed in the notice. Notice of an annual meeting need not include a description of the purpose(s) except with respect to: (a) an amendment or restatement to the Association's Declaration, Articles of Incorporation, or Bylaws; (b) any proposal to remove an officer or director from office; (c) any budget changes; or (d) any other purpose for which a statement of purpose is required by law or the Governing Documents.

Section 4.6 **Place of Meeting**. Member meetings will be held at the Association's principal office, at another physical location or through telecommunication, as fixed by the Board of Directors and specified in the meeting notice. The physical location of a meeting by telecommunication or other virtual means will be the physical location of the meeting host, whether or not members are required to attend the meeting electronically.

Section 4.7 **Quorum**. The presence of 30% of the Members eligible to vote at the beginning of any meeting, in person or by proxy, constitutes a quorum for any action. Once a quorum is established for a meeting, it is conclusively presumed to exist until the meeting is adjourned. If the required quorum is not present, the Members who are present have power to adjourn the meeting from time to time to a later date, until a quorum is present.

Section 4.8 **Adjourned and Reconvened Meetings**. Any membership meeting may be adjourned, to be reconvened at a later date or time, by Members holding a majority of the votes represented at the meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of the reconvened session is required if the original session is adjourned for no more than ten days.

Section 4.9 **Order of Business**. The Board of Directors shall establish the order of business and prescribe reasonable rules for the conduct of all Member meetings. Failure to strictly follow Robert's Rules of Order will not invalidate any action taken at a meeting.

Section 4.10 **Waiver of Notice**. Waiver of notice of a membership meeting will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any membership meeting, either before or after the meeting. A Member's attendance at a meeting, whether in person or by proxy, is deemed to be the Member's waiver of improper notice of the date, time, and location of the meeting and of any specific business being conducted at the meeting, unless the Member specifically objects to improper notice at the time the meeting is called to order or the Member objects to improper notice of the specific business before the business is put to a vote.

ARTICLE 5. BOARD OF DIRECTORS

Section 5.1 **Number of Directors**. The Association's affairs are governed by a Board of Directors which consists of five members, elected or appointed as provided below (the "Board"). In the case where through removal or resignation, the total number of Board members is less than five, the Board will be considered properly constituted until the vacancies are filled. The number of directors may be increased or decreased by amendment of these Bylaws.

Section 5.2 **Qualifications of Directors**.

(a) Only one Owner per lot who is eligible to vote, current in payment of assessments, and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board. Co-Owners of the same lot may not serve on the Board at the same time.

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

(c) Any director who is more than 30 days' delinquent in payment of any assessment will not be qualified to serve on the Board.

(d) Any director who has unexcused absences from three consecutive Board meetings will not be qualified to serve on the Board. An absence will be excused if the absent Board member notifies the 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 Association's Governing Documents for more than 30 days will not be qualified to serve on the Board.

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

(g) If a director is not qualified to serve on the Board, the director's position will be deemed vacant.

Section 5.3 **Nominating Committee**. Nomination for election to the Board of Directors will be made by a nominating committee. Any person desiring to be a candidate for a director position shall submit a written statement to that effect to the Nominating Committee, signed by the candidate. Nominations may also be made from the floor at the annual meeting. The nominating committee will consist of a chairperson, who will be a member of the Board of Directors, and two or more Association Members. The Board may appoint the nominating committee three months prior to each annual Member meeting to serve until the close of the annual meeting. Nominating committee members will endeavor to make at least as many nominations as the number of vacancies that are to be filled.

Section 5.4 **Term of Office**. The term of office of directors is three years, or until a successor is elected. At the expiration of a director's term, if a successor cannot be elected for any reason, the existing director will continue to hold office and begin serving another term until the director's successor is elected to fill the remainder of such new term, or the director resigns.

Section 5.5 **Resignation**. 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. If the notice does not contain an effective date, it will be effective upon delivery. Acceptance of a resignation will not be necessary to make the resignation effective.

Section 5.6 **Removal of Directors**.

(a) One or more directors may be removed at a special Member meeting called pursuant to these Bylaws, with or without cause, by a vote of at least a majority of the total Association vote at a duly called meeting. Notice of any Member meeting to remove directors will state that the purpose of the meeting, or a portion of that meeting, is to remove one or more directors. Notice will be provided to every Member, including the directors sought to be removed, as provided in these Bylaws. Directors sought to be removed have the right to be present at this meeting, and will be given the opportunity to speak to the Members prior to a vote to remove being taken.

(b) If one or more directors are removed, the Members at the meeting will elect a successor to serve for the unexpired term of his predecessor.

Section 5.7 **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 members at any time after the vacancy occurs, even though the directors present at that meeting may constitute less than a quorum. Each person so appointed will be a director who will serve for the remainder of the unexpired term.

Section 5.8 **Compensation**. No director will receive compensation for any service rendered as a director to the Association. However, any director may be reimbursed for actual expenses incurred performing Association duties.

ARTICLE 6. MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 **Meeting Location and Open Meetings**. All Board meetings will be open to attendance by Members or their designated representatives, as provided by Colorado law. All Board meetings will be held at the Association's principal office, or at another location within or convenient to the Community, as may be fixed by the Board of Directors. Meetings may also be held by conference call or electronic means, if necessary, provided that Members have the opportunity to access the conference call or electronic means.

Section 6.2 **Regular Meetings**. Regular Board meetings will be held at the time, place, and hour as may be set by the Board. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary. Agendas for Board meetings will be made reasonably available for examination by Members or their representatives.

Section 6.3 **Special Meetings**. Special Board meetings will be held when called by the president or by any two directors. If notice for a special meeting demanded by two or more directors is not given by the Board within 30 days after the date the written demand(s) is delivered to the Board, the directors signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Only those matters contained in the notice of the special meeting may be discussed, unless all directors are present at the meeting and agree to waive the notice requirement for such other matters. Agendas for special Board meetings will be made reasonably available as provided above.

Section 6.4 **Organizational Meeting**. An organizational Board meeting may be held, without notice, immediately following and in the same place as the annual Member meeting, or at another date and place as the directors may determine. The purpose of this organizational meeting is to elect officers and to transact other business as may come before the meeting.

Section 6.5 **Notice of Board Meetings**. Unless the Board has adopted a meeting schedule, written notice of each Board meeting will be given by, or at the direction of, the secretary or person authorized to call the meeting. Notice may be mailed, 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, addressed to the Board member's address last appearing on the Association's books, or supplied by a Board member for the purpose of notice. The notice will specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 6.6 **Waiver of Notice**. A waiver of notice of any Board meeting signed by a director, whether before or after the meeting, will be the equivalent to giving notice of the meeting to the director. A director's attendance at a meeting constitutes waiver of notice of the meeting except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not properly called or convened.

Section 6.7 **Quorum and Voting**. A majority of the directors constitutes 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. One or more directors who participate by means of telephone or electronic communication will be deemed present for establishing a quorum, if all persons so participating can hear each other. A quorum must be present during the entire meeting. The votes of a majority of the directors present at a meeting constitutes a Board decision, unless there are fewer than three directors, in which case, unanimity is required to constitute a Board decision. If at any meeting there will be less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.8 **Director Proxies**. To determine 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 must be directed to 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 will not be counted for the purpose of having a quorum present or as a vote on the particular issue before the Board.

Section 6.9 **Action without a Meeting**. The directors have the right to take any action in the absence of a meeting which they could otherwise have taken at a meeting, if a notice stating the action to be taken and the time by which a director must respond is transmitted, in writing, to each director, and each director, by the time stated in the notice:

(a) votes in writing for such action; or

(b) votes in writing against such action; or

(c) abstains in writing from voting; or

(d) fails to respond or vote and does not demand that a meeting be held.

The action is authorized if the number of directors voting in favor of the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. An abstention is not a vote in favor or against an action. Any action taken under this section has the same effect as though taken at a Board meeting. All signed written instruments necessary for any action taken pursuant to this section are to be filed with the minutes of the Board meetings.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 **Powers of the Board of Directors**. The Board may act in all instances on the Association's behalf, except as provided in the Declaration, these Bylaws, or the Act. The Board has, subject to the limitations contained in the Declaration and the Act, the powers necessary to administer the Association's affairs and to operate and maintain the Community, including the following:

(a) exercise powers conferred by the Governing Documents;

(b) adopt and amend Rules and Regulations, governance policies, policies and procedures, and guidelines;

(c) adopt and amend budgets subject to any Governing Document requirements;

(d) collect assessments as provided by the Governing Documents;

(e) enforce Governing Documents, provided that the Board will have discretion to pursue enforcement action in any particular case as long as the Association does not act arbitrarily and capriciously;

(f) engage or employ a managing agent or manager for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board, provided that the directors are not to be relieved of responsibilities under the Governing Documents or law;

(g) employ independent contractors or employees as it deems necessary, and prescribe their duties;

(h) institute, defend, or intervene in litigation or administrative proceedings, or seek injunctive relief for: (i) violations of the Governing Documents, and (ii) matters affecting the Community on behalf of the Association or two or more Owners;

(i) make contracts and incur liabilities in the Association's name; provided that the Association will not enter into any service contract for a term exceeding three years without approval of the Members, except for any contract with a public utility company that requires a term in excess of three years, or any maintenance contract of the seller of an asset which the Association has purchased or leased.

(j) administer financial accounts;

(k) acquire, hold, encumber, and convey in the Association's name and in the ordinary course of business, any right, title to, or interest in real estate, pursuant to the consent requirements set forth in the Governing Documents, if any;

(l) grant easements, leases, licenses, concessions through or over the common areas;

(m) borrow funds and grant an interest in future assessments to pay for any expenditure or outlay authorized by the provisions of the Declaration and these Bylaws, and to execute all instruments evidencing the debt necessary, subject to any requirements in the Governing Documents;

(n) cause all persons having fiscal responsibilities for the Association's assets to be insured and/or bonded;

(o) appoint committees as desired or as required in the Declaration, which will have authority to act only to the extent designated in the Governing Documents, or delegated by the Board and pursuant to Colorado law; and

(p) exercise all powers, duties, rights and obligations not reserved to the membership by other provisions of the Governing Documents or Colorado law.

Section 7.2 **Duties of the Board of Directors**. The Board has a duty to act in all instances on the Association's behalf, except as provided in the Declaration, these Bylaws or the Act. The Board has, subject to the limitations contained in the Declaration and the Act, the duties necessary to administer the Association's affairs and to operate and maintain the Community, including:

(a) duty to maintain, as determined by the Board and as set forth in the Declaration;

(b) duty to keep and maintain full and accurate books and records showing the Association's receipts, expenses, or disbursements;

(c) duty to indemnify, as provided in these Bylaws;

(d) duty to supervise all persons acting on the Association's behalf and/or at the Association's discretion;

(e) duty to procure and maintain general liability and property insurance as set forth in the Governing Documents;

(f) duty to procure and maintain professional liability insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee member, or anyone acting at the direction of the Board, 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;

(g) duty to adopt and maintain responsible governance policies required by law, to the extent procedures are not already set in these Bylaws or the Declaration;

(h) duties as provided by law; and

(i) other duties related to powers conferred on the Board.

ARTICLE 8. OFFICERS AND DUTIES

Section 8.1 **Designation and Qualification**. The Association's officers consist of a president, one or more vice-presidents, a secretary, a treasurer, and any other officers and assistant officers the Board deems necessary. The president and vice president must be directors. Except for the offices of secretary and treasurer, which may be held by the same person, no person may hold more than one office simultaneously.

Section 8.2 **Election and Terms of Office**. The Board will elect the officers for one-year terms at the first Board meeting following the annual Member meeting. Each officer will serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

Section 8.3 **Resignation and Removal of Officers**. A majority of the directors may remove any officer from office, with or without cause. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. If the notice does not contain an effective date, it will be effective upon delivery. Acceptance of a resignation will not be necessary to make it effective.

Section 8.4 **Vacancies**. A vacancy in any office may be filled by appointment by majority vote of the Board. Unless earlier removed, the officer appointed to the vacancy will serve for the remainder of the term of the officer replaced.

Section 8.5 **Officers' Duties**. The officers' duties are as follows:

(a) **President**. The president will be the chief executive officer and will have the powers and duties incident to the office of president of a Colorado nonprofit corporation, including, but not limited to, the following: preside at all Board and Member meetings; ensure that Board decisions and resolutions are carried out; sign all contracts, leases, and other written instruments; and direct, supervise, coordinate, and have general control over the Association's day-to-day affairs.

(b) **Vice President**. The vice president will take the president's place and perform the president's duties whenever the president is absent or unable to act, and will perform other duties imposed by the Board of Directors. If neither the president nor the vice president is able to act, the Board of Directors will appoint another director to act in the president's place on an interim basis.

(c) **Secretary**. The secretary will record the votes and maintain the minutes of all Board and Member meetings; serve notice of Board and Member meetings; keep appropriate current records showing the Association Members and their addresses, and perform other duties incident to the office of secretary or as required by the Board.

(d) **Treasurer**. The treasurer will receive, deposit, and disburse Association funds and securities, and maintain full and accurate financial records; prepare an annual budget and financial statements to be presented to the membership; and perform other duties incident to the office of treasurer or as may be required by the Board.

(e) Any officer's duties may be delegated to a managing agent, if any, or another Board member; provided, however, the officer will not be relieved of any responsibility under this section or under Colorado law.

ARTICLE 9. STANDARD OF CONDUCT FOR DIRECTORS AND OFFICERS

Section 9.1 Standard of Conduct for Directors and Officers. Each director and officer will perform his duties in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In performing his duties, a director or officer will be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by: (a) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (b) legal counsel, community association manager, public accountant, or other person as to matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve, if the director reasonably believes the committee merits confidence.

A director or officer will not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer will not be liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs his duties in compliance with this section. A director or officer, regardless of title, will not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

The Board of Directors will have the power and authority to adopt additional reasonable standards or code of conduct for directors and officers which do not conflict with this section.

ARTICLE 10. ASSOCIATION RECORDS

Section 10.1 Records and the Right to Inspect Records. The Association or its managing agent, if any, will keep, maintain, and disclose records as required by Colorado law. The Association's records will be subject to inspection and copying by any Member, at the Member's expense, in accordance with Colorado law and the Association's responsible governance policy regarding inspection and copying of records. The policy may require advance notice of inspection, specify hours and days of the week during which inspection will be permitted, establish a reasonable maximum time limit for any inspection session, and establish reasonable fees for copies.

interests, and with respect to any criminal action or proceeding, had 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, if not a covered claim on the Association's professional liability insurance, no indemnification will be made: (i) in connection with a proceeding by or in the right of the Association, 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, where 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 will be indemnified against actual and reasonable expenses (including expert witness fees, attorney's fees, and costs) incurred in connection with the action, suit, or proceeding.

Section 11.2 **Determination Required on Indemnification**. The Board of Directors will determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination will be made by the Board of Directors by a majority vote of a quorum consisting of those members of the Board who are not parties to the action, suit, or proceeding. If the Board cannot make the determination or if the Board so directs, a determination may be made, at the discretion of the Board, by: (a) independent legal counsel selected by a majority of the full Board, or (b) by the voting Members, but voting Members who are also at the same time seeking indemnification may not vote on the determination.

Section 11.3 **Payment in Advance of Final Disposition**. If a claim is not covered by the Association's professional liability insurance, the Association will 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 written affirmation of that person's good faith belief that he or she has met the standard of conduct described above, and a written statement that the person will repay the advance if it is ultimately determined that he did not meet the standard of conduct described above.

Section 11.4 **No Limitation of Indemnification Rights**. The indemnification provided in this article will not be deemed exclusive of or a limitation upon any rights granted pursuant to the Governing Documents, the Act, and the Colorado Revised Nonprofit Act, as those statutes may be amended from time to time.

ARTICLE 12. AMENDMENT

These Bylaws may be amended by the Board at a regular or special Board meeting at which a quorum is present, except for amendments requiring a Member vote. Amendments addressing the following matters require the affirmative vote of Members holding a majority of the vote present and voting at a duly called meeting at which a quorum is present or by mail ballot: any amendment to reduce the quorum requirement; or amendment to determine the qualifications, powers, and duties, or terms of office of directors (except that the Board may fill vacancies in its membership for the unexpired portion of any term).

ARTICLE 13. MISCELLANEOUS

Section 13.1 **Electronic Communications**.

(a) **Records and Signatures**. Whenever the Governing Documents require that a document, record, or instrument be "written" or "in writing," the requirement is deemed satisfied by an

Section 10.2 **Disclosure of Records**.

(a) The Association will provide written notice to all Members of a change in the Association's address, designated agent, or managing agent within 90 days of the change.

(b) The Association will make the following information available to Members within 90 days of the end of the fiscal year:

(i) the date on which the fiscal year begins;

(ii) the operating budget for the current fiscal year;

(iii) a list, by lot type, of the current regular and special assessments;

(iv) the annual financial statements, including any amounts held in reserve for the prior fiscal year;

(v) the results of the most recent available financial audit or review;

(vi) a list of the Association's insurance policies, including the insurer's name, policy limits, policy deductibles, additional named insureds, and expiration dates for each policy;

(vii) the Association's Bylaws, Articles of Incorporation, and Rules and Regulations;

(viii) minutes of Board and Member meetings for the prior fiscal year; and

(ix) the Association's responsible governance policies.

This information will be posted on a website, kept in a binder or file at the Association's principal place of business, mailed to Members, or personally delivered to Members. The Association will send notice that such information is available to each Member within 90 days of the end of the fiscal year. If the information is posted on a website, the Association will send notice to the Members of the web address by first class mail or e-mail.

Section 10.3 **Minutes**. Minutes or any similar record of Board and Member meetings, when signed by the secretary or acting secretary of the meeting, will be presumed to truthfully evidence the matters set forth in the minutes. A recitation in the minutes that notice of the meeting was properly given will be *prima facie* evidence that the notice was given.

ARTICLE 11. INDEMNIFICATION

Section 11.1 **Obligation to Indemnify**.

(a) The Association will 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 Association's request 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 Association's best interests, 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, will 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 Association's best

electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever the Governing Documents require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (i) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (ii) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(b) **Verification and Liability for Falsification**. The Board of Directors may require reasonable verification of any electronic signature, document, record, or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association will be liable to any Owner or any other person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Member or person who negligently, recklessly, or intentionally submits any falsified electronic record or unauthorized electronic signature will fully indemnify the Association for actual damages, reasonable attorney's fees actually incurred, and expenses incurred as a result of such acts.

Section 13.2 **Fiscal Year**. The Board has the right to establish and change the fiscal year of the Association.

Section 13.3 **Notices**. Unless otherwise required by law or the Governing Documents, all notices to the Association or the Board will be delivered to the managing agent's office, or if there is no managing agent, to the Association's office, or to such other address as the Board may designate by written notice to all Members. All notices to any Member will be transmitted to the Member's address as it appears in the Association's records. All notices will be deemed to have been given when mailed or transmitted, except notices of change of address, which will be deemed to have been given when received.

Section 13.4 **Conflicts**. In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration will control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation will control.

Section 13.5 **Waiver**. No provision contained in these Bylaws will 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.

Section 13.6 **Interpretation**. The provisions of these Bylaws are to be liberally construed to ensure the Community is operated and maintained to optimize and maximize each Member's enjoyment and use.

Section 13.7 **Severability**. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise will in no way affect the application of such provision to other circumstances or affect any other provision(s), which will remain in full force and effect.

CERTIFICATION

The officer signing below certifies these Amended and Restated Bylaws received the approval of at least a majority of the directors and the Members, to the extent required by the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act.

This 23rd day of March, 2021.

RUEDI SHORES HOMEOWNERS' ASSOCIATION, INC.,
a Colorado Nonprofit Corporation

By: _____
Secretary