

**AMENDED AND RESTATED BYLAWS
OF
RUSTIC HILLS IMPROVEMENT ASSOCIATION,
a Colorado nonprofit corporation**

The following Amended and Restated Bylaws (“Bylaws”) set forth the provisions of the Bylaws of Rustic Hills Improvement Association, a Colorado nonprofit corporation, and were duly adopted pursuant to the Colorado Revised Nonprofit Corporation Act.

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Rustic Hills Improvement Association, a Colorado nonprofit corporation, hereinafter referred to as the “Association”. The Association has been incorporated as a Colorado nonprofit corporation pursuant to its Articles of Incorporation, as amended and restated (which are incorporated herein by this reference and hereafter called the “Articles”).

On August 22, 2014, Owners of the majority of the Lots in the Rustic Hills Subdivision, the Rustic Hills Subdivision No. 2, and the Rustic Hills Subdivision No. 2, Filing No. 2, voted that the Rustic Hills Subdivision, the Rustic Hills Subdivision No. 2, and the Rustic Hills Subdivision No. 2, Filing No. 2, be known as “Rustic Hills Acres”. Therefore, the Association contemplates filing two separate Statements of Tradename of a Reporting Entity with the Colorado Secretary of State to register the tradenames of “Rustic Hills Acres” and “Rustic Hills Acres Neighborhood Association”.

The principal office of the Association shall be located at its registered office, but meetings of Members and Directors may be held at such places within the County of El Paso as may be designated by the Board of Directors, which shall also be known and referred to sometimes herein as the “Board” and its members as “Directors.”

**ARTICLE II
DEFINITIONS**

All terms which are defined in the Amended and Restated Declaration of Protective Covenants of Rustic Hills Acres (which is incorporated herein by this reference and hereinafter called the “Declaration” and incorporated herein by this reference) and the Colorado Revised Nonprofit Corporation Act C.R.S. §7-121-101 *et seq.* (hereinafter called the “Nonprofit Act”) shall have the same meaning herein. The Association is, and has been, governed by the Nonprofit Act. The Association shall not be subject to the Colorado Common Interest Ownership Act as more fully provided in C.R.S. §38-33.3-119 thereof.

**ARTICLE III
PURPOSE**

To enhance Rustic Hills Acres by encouraging and protecting the atmosphere of the neighborhood, including the natural beauty of the area, compatibility of improvements to the land, and community spirit of the residents; to review and enforce the Declaration; and to adhere to the Architectural and Building Control Committee review and approval or disapproval of plans for Improvements.

ARTICLE IV
MEETING OF MEMBERS

4.1. Membership and Voting Rights. The requirements and conditions of membership and of voting rights shall be as provided in the Declaration and the Articles. By acquiring title to a Lot, a person or entity automatically consents to becoming a Member of the Association and subject to the rights and duties set forth in the Declaration, the Articles, these Bylaws and applicable laws and statutes. Each Lot shall have one vote on any issue duly submitted to the Members and/or each vacant directorship. Different rights and obligations with respect to voting and all other matters have been and may further be set forth in the Declaration, which shall be controlling over C.R.S. §7-127-202 or otherwise. Members may only transfer their memberships and any right arising therefrom as permitted by the Declaration, Articles, and these Bylaws and in accordance therewith. Class “A” membership (as defined in the Declaration and the Articles) shall automatically transfer upon transfer of title to a Lot.

4.2. Annual and Regular Meetings. The annual meeting of the Members shall be held in the month of May of each calendar year at a place, date and time, within the State of Colorado, as the Board may determine. “Regular meetings” shall refer to meetings, if any, which are set by the Board on a regular basis (for example, monthly or quarterly meetings of Members) and which are not annual or special meetings.

4.3. Special Meetings.

(a) The Association shall hold a special meeting of its Members:

(i) On call of its President or Board or the person or persons authorized by these Bylaws or resolution of the Board to call such a meeting; or

(ii) If the Association receives one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by Members holding at least ten percent (10%) of all votes entitled pursuant to these Bylaws to be cast on any issues proposed to be considered at the meeting.

(b) If not otherwise fixed under C.R.S. §7-127-103 or §7-127-106, the record date for determining the Members entitled to demand a special meeting pursuant to paragraph (a)(ii) above is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is sixty (60) days before the date the first such demand is received by the Association, whichever is later.

(c) If a notice for a special meeting demanded pursuant to paragraph (a)(ii) above is not given pursuant to C.R.S. §7-127-104 within thirty (30) days after the date the written demand or demands are delivered to a corporate officer, regardless of the requirements of paragraph (d) below, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to C.R.S. §7-127-104.

(d) Special meetings of the Members may be held in or out of this state at the place stated in or fixed in accordance with these Bylaws, or, if not so stated or fixed, at a place stated or fixed

in accordance with a resolution of the Board. If no place is so stated or fixed, special meetings shall be held at the Association's principal office.

(e) Only business within the purpose or purposes described in the notice of the meeting required by C.R.S. §7-127-104(3) may be conducted as a special meeting of the Members.

4.4. Notice of Meetings.

(a) The Association shall give to each Member who is entitled to vote at the meeting notice consistent with its Bylaws of meetings of Members in a fair and reasonable manner.

(b) Any notice that conforms to the requirements of paragraph (c) below is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

(c) Notice is fair and reasonable if it is provided as set forth in C.R.S. §7-121-402 or as follows:

(i) The Association notifies Members by mail or hand delivery or electronic transmission (including, but not limited to facsimile or email) the place, date, and time of each annual, regular, and special meeting of Members no fewer than ten (10) days, nor more than fifty (50) days before the meeting date, or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days, nor more than fifty (50) days before the meeting date.

(ii) Notice of an annual or regular meeting includes a description of any matter that must be approved by the Members or for which the Members' approval is sought under C.R.S. §§ 7-128-501, 7-129-110, 7-130-103, 7-130-201, 7-131-102, and 7-134-102. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or Director.

(d) Unless otherwise provided by articles 121 to 137 of the Nonprofit Act or these Bylaws, notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

(e) Members may waive notice as provided by C.R.S. §7-127-105.

(f) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. §7-127-106, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.

(g) When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member intends to raise at the meeting if:

(i) Requested in writing to do so by a person entitled to call a special meeting;
and

(ii) The request is received by the Secretary or President of the Association at least ten (10) days before the Association gives notice of the meeting.

(h) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. §7-127-106 or otherwise. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of Members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. §7-127-201.

4.5. Action Taken Without Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting, prior notice or vote, if Members entitled to vote thereon unanimously agree and consent to such action in writing; such action shall be taken in accordance with C.R.S. §7-127-107 of the Nonprofit Act. Action may also be taken by written ballot pursuant to C.R.S. §7-127-109.

4.6. Quorum.

(a) The presence at the meeting of Members entitled to vote and cast twenty-five percent (25%) of the votes in the Association shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members in attendance and entitled to vote shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

(b) Once a Member entitled to vote is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

4.7. Voting Entitlement.

(a) If only one of the multiple Owners of a Lot is present at a meeting of the Association, such Owner, if a Voting Member (as such term is defined in the Declaration), is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the Owners, unless the Declaration expressly provides otherwise. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

(b) Votes allocated to a Lot may not be cast pursuant to a proxy.

(c) Votes allocated to a Lot may be cast pursuant to an absentee ballot duly executed by a Lot Owner, if a Voting Member. If a Lot is owned by more than one person, each Owner of the Lot, if a Voting Member, may vote or register protest to the casting of votes by the other Owners of the Lot

through a duly executed absentee ballot. An absentee ballot shall: (i) state each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. All solicitations for votes by absentee ballot shall: (i) state the time by which a ballot must be received by the Association in order to be counted; and (ii) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. A written absentee ballot may not be revoked.

4.8. Majority of Members. As used in these Bylaws, the term “majority of Members” shall mean Voting Members to which at least fifty-one percent (51%) of the votes in the Association are attached, who are present at a meeting containing a quorum. Unless otherwise provided herein, an affirmative vote of a majority of Members present, entitled to vote, in person or by written ballot or by absentee ballot, shall be required to transact the business of the meeting and shall be valid and binding upon all Members.

4.9. Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

ARTICLE V DUES

5.1 Membership Responsibility. Membership in the Association carries responsibilities, including contributions to Rustic Hills Acres. Activities conducted by the Association benefit all within Rustic Hills Acres and often require funding. For this purpose, the Association collects “Dues” annually, however, on a voluntary basis.

5.2 Dues Amount. Payment of Dues shall be at a level set by the Voting Members of the Association at the annual meeting of the Members.

5.3 Due Date. Annual Dues shall be due and payable prior to the beginning of the Association's fiscal year, which runs from June 1st to May 31st. Payments not made by June 30th of each year shall be considered late. Dues may be pro-rated on a quarterly basis, as may be required for changes of ownership.

5.4 Funded Activities. Activities funded by the annual Dues may include, but not be limited to: costs associated with the annual meeting of the Members, special meetings, or meetings of the Board; community-building activities such as the annual bar-b-que, the Halloween hay ride, parades, a neighborhood watch program, and others; and Rustic Hills Acres clean-up activities, City-sponsored chipper day, and a household waste collection day and the like.

ARTICLE VI BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

6.1. Number. The property, business and affairs of the Corporation shall be managed by a Board whose Directors shall at all times be Voting Members of the Association, who have paid their Dues in full for the current fiscal year. The Board shall be composed of six (6) At-Large Directors (three-year terms), who shall be elected by the Voting Members from the general Membership as follows: three (3) from the Rustic Hills Subdivision, and three (3) from the Rustic Hills Subdivision No. 2 and the Rustic Hills Subdivision No. 2, Filing No. 2, the Executive Board (as defined below) (one-year terms), and the chairmen of all standing committees.

6.2. Term of Office.

(a) Beginning in the year of 2019, the Voting Members shall elect at least one-third (1/3) of the Directors for one-year terms, one-third (1/3) of the Directors for two-year terms, and one-third (1/3) of the Directors for three-year terms, and at each annual meeting thereafter, the Voting Members shall elect the same number of Directors as there are directors whose terms are then expiring, for terms of three years. The term of any Director filling a vacancy expires at the end of the unexpired term that such Director is filling. Vacancies shall be filled as provided by §7-128-110 of the Nonprofit Act.

(b) Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of Directors.

6.3. Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt by such officer. In the event of death or resignation of a Director, his or her successor shall be selected by a majority of the remaining Directors and shall serve for the unexpired term of his or her predecessor.

6.4. Removal.

(a) Directors elected by the Voting Members or other Directors may be removed as follows:

(i) The Voting Members may remove one or more Directors elected by them with or without cause.

(ii) A Director elected by the Voting Members may be removed by the Voting Members only at a meeting called for the purpose of removing that Director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the Director.

(iii) An entire Board may be removed under paragraphs (i) and (ii) above. In the event that an entire Board is removed at a meeting, their successors shall be nominated and elected by the Voting Members at that meeting to fill such vacancies.

(iv) A Director elected by the Board may be removed with or without cause by the vote of a majority of the Directors then in office or such greater number as is set forth in these Bylaws; except that a Director elected by the Board to fill the vacancy of a Director elected by the Voting Members may be removed without cause by the Voting Members, but not the Board.

(b) If, at the beginning of a Director's term on the Board, any rules adopted by the Board pursuant to these Bylaws provide that a Director may be deemed to have resigned for failing to attend a specified number of Board meetings, or for failing to meet other specified obligations of Directors, and if such failure to attend or meet obligations is confirmed by an affirmative vote of the

Board, than such failure to attend or meet obligations shall be effective as a resignation at the time of such vote of the Board.

6.5. Duties. The Board shall transact all necessary business and affairs of the Association. The Board shall present a report and bring recommendations to the regular meetings of the Association. Reports and recommendations shall include, but not be limited to a proposed budget and prioritized goals for vote at the annual meeting of the Members.

6.6. Compensation. No Director shall receive compensation for any service(s) the Director may render to the Association. However, a Director may be reimbursed for actual expenses incurred in the performance of duties on behalf of the Association.

6.7. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors pursuant to C.R.S. §7-108-202 or C.R.S. §7-128-202, as applicable. Any action so approved shall have the same effect as though taken at a meeting of the Board.

ARTICLE VII MEETINGS OF DIRECTORS

7.1. Regular Meetings. Regular meetings of the Board shall be held with such frequency and at such times and places as shall be determined by a majority of the Directors. Notice of regular meetings of the Board shall be given to each Director personally or by mail, facsimile, or email at least seven (7) days prior to the day named for such meeting.

7.2. Special Meetings. Special meetings of the Board may be called by the President, or by any two or more Directors, upon three (3) days' notice to each Director, given personally or by mail, telephone, facsimile, or e-mail, which notice shall state the time, the place and the purpose of the meeting.

7.3. Notice of Meetings.

(a) Unless otherwise provided in articles 121 to 137 of the Nonprofit Act or in these Bylaws, regular meetings of the Board may be held without notice of the date, time, place, or purpose of the meeting. Any meeting may be held as allowed by C.R.S. §7-128-201.

(b) Unless these Bylaws provide for a longer or shorter period, special meetings of the Board shall be preceded by at least two (2) days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by articles 121 to 137 of the Nonprofit Act or these Bylaws.

7.4. Waiver of Notice.

(a) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided by paragraph (b) below, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(b) A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless:

(i) At the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(ii) If special notice was required of a particular purpose pursuant to C.R.S. §7-128-203(2), the Director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

7.5. Action Taken Without Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, prior notice or vote, if notice is transmitted in writing to each Director and each Director by the time stated in the notice votes thereon for such action or against such action, abstains in writing from voting, or fails to respond or vote and fails to demand in writing that action not be taken without a meeting; such action shall be taken in accordance with C.R.S. §7-128-202 of the Nonprofit Act.

7.6 Quorum.

(a) At all meetings of the Board, the attendance of a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

(b) Directors may not vote or otherwise act by proxy.

(c) A Director who is present at a meeting of the Board when corporate action is taken is deemed to have assented to all action taken at the meeting unless:

(i) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(ii) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(iii) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this paragraph as to a specific action is not available to a Director who votes in favor of the action taken.

ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1. Powers. The Board shall have power to:

- (a) exercise all powers granted by the Nonprofit Act or other law or statutes allowed to boards of corporations;
- (b) adopt and publish rules and regulations. A rule or regulation shall not be in conflict with the Declaration or these Bylaws. A copy of such rules and regulations may be delivered by hand to each Lot or mailed or sent via electronic transmission to each Member upon the adoption thereof or may be recorded in the real property records of El Paso County;
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Board or the Association and not reserved to the Members by other provisions of these Bylaws, the Articles, or the Declaration, and as are necessary for the administration of the affairs of the Association and for the operation and maintenance of Rustic Hills Acres;
- (d) incur such costs and expenses as may be necessary to perform the Association's duties under the Declaration and to keep in good order, condition and repair all items of common personal property, if any, which is the Association's responsibility to maintain;
- (e) declare the office of a Director of the Board to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board;
- (f) make such distributions as authorized by the Nonprofit Act and the Declaration;
- (g) implement plans of merger or dissolution as permitted by the Nonprofit Act;
- (h) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by twenty percent (20%) of the Members who are entitled to vote;
- (i) provide such supervision of all officers, agents and employees of the Association as the Board deems reasonably necessary and appropriate;
- (j) enforce the Declaration;
- (k) procure and maintain insurance required by the Declaration or deemed advisable by the Board;
- (l) fulfill all obligations of the Board under the Declaration;
- (m) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at

any reasonable time by each of the Lot Owners, and to cause an annual accounting for association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant; and

(n) meet as often as the Board deems reasonable and appropriate.

8.2 Duties. It shall be the duty of the Board to exercise reasonable business judgment in the performance of its duties, subject to the provisions and protections of the Declaration and Colorado law and statute.

8.3. No Waiver of Rights. The omission or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, these Bylaws or rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board, the Association, and any Member shall have the right to enforce the same thereafter.

ARTICLE IX OFFICERS AND THEIR DUTIES

9.1. Enumeration of Offices. The officers of the Association, herein collectively referred to as the “Executive Board”, shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall at all times be Voting Members of the Association. The powers and duties of the officers shall be subject to the provisions and limitations of the Declaration, Articles, these Bylaws, and law and statute. An officer shall be a natural person who is eighteen years of age or older.

9.2. Election of Officers. The election of the Executive Board shall take place at the annual meeting of the Members. The officers shall continue in office until their successors are elected.

9.3. Term. Each officer of the Association shall be elected annually and each shall hold office for one (1) year, unless the officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

9.4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine. Such other officers shall not comprise the Executive Board. Any two or more non-Executive Board officer positions may simultaneously be held by the same person.

9.5. Resignation and Removal.

(a) Any officer may be removed from office with or without cause by the Board.

(b) An officer may resign at any time by giving written notice of resignation to the Association. A resignation of an officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board may permit the officer to remain in office until the effective date and may fill the pending vacancy before the

effective date with the provision that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy.

9.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

9.7. Duties. The duties of the officers are as follows:

(a) The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall sign on behalf of the Association all leases, mortgages, deeds and other written instruments. Further, the President shall have all of the general powers and duties which are usually vested in the office of president of a corporation, including, but not limited to, the power to appoint committees from among the Members and other individuals from time to time as the President may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings. Further, the President shall be an ex-officio member of all committees other than the Nominating Committee.

(b) The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal (if any) of the Association and affix it on all papers requiring said seal; serve notice of any meetings of the Board and of the Members; efficiently address all correspondence related to the Association; keep appropriate current records showing the Members of the Association together with their addresses and other contact information, and shall perform such other duties as required by the Board.

The Secretary shall make available on Rustic Hills Acres' website the minutes of all meetings, or consent resolution(s) in lieu of a meeting, within one (1) month of the subject meeting(s) or consent resolution(s).

(d) Except to the extent performed by any managing agent, the Treasurer shall receive and deposit in appropriate governmentally insured accounts all funds of the Association and shall disburse such funds as directed by resolution of the Board; keep proper books of account; cause an annual accounting to be made; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members. In the event a managing agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter.

(e) The President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association following their adoption as provided therein. Any checks or promissory notes of the Association shall be signed by at least two of the officers of the Executive Board.

(f) All officers shall deliver any and all Association documents and/or records to their successors within ten (10) days after the expiration of their term of office or their removal or resignation.

ARTICLE X
NOMINATION AND ELECTION OF DIRECTORS AND EXECUTIVE BOARD

10.1. Nomination. Nomination for election to the Board of Directors and Executive Board may be made by a Nominating Committee. Nomination may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three Members of the Association as follows: one (1) from the Rustic Hills Subdivision, and two (2) from the Rustic Hills Subdivision No. 2 and the Rustic Hills Subdivision No. 2, Filing No. 2. The Nominating Committee shall be appointed by the President and approved by the Board at least two (2) month prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors and Executive Board as it shall, in its discretion, determine but not less than the number of vacancies that are to be filled. The Nominating Committee shall present the nominations to the Board of Directors thirty (30) days prior to the annual meeting. The Nominating Committee shall present the nominations at the annual meeting. All nominees must be Voting Members of the Association. The Nominating Committee shall be responsible for counting the ballots.

10.2. Election. All nominees shall be introduced to the Membership and, upon request, be given two (2) minutes to speak. Election shall be held at the close of the introductions. Election to the Board of Directors and Executive Board shall be by secret written ballot. The Secretary shall be responsible for assuring that only Voting Members receive ballots. At such annual election, the Voting Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration, which is one (1) vote per Lot. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted. In an election of multiple Directors or officers, the number of candidates equaling the number of Directors or officers to be elected, having the highest number of votes cast in favor of their election, are elected to the Board of Directors or the Executive Board. When only one Director or officer is being voted upon, the affirmative vote of a majority of the Members entitled to vote constituting a quorum at the meeting at which the election occurs shall be required for election to the Board of Directors or the Executive Board.

ARTICLE XI
NON LIABILITY OF OFFICERS AND DIRECTORS

11.1 Contracts. Contracts or other commitments made by the Board or officers shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment.

11.2 Indemnification of Officers and Directors. Each officer and Director of the Association, now or hereinafter serving in any such capacity, shall be indemnified by the Association against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including without limitation, the Nonprofit Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or officer of the Association may otherwise be entitled by law or statute,

provided however, this indemnification shall not reduce or impair any insurance coverage. No Director or officer shall be personally liable to the Association or its Members except as otherwise provided by the Nonprofit Act. Directors and officers shall be indemnified by the Association to the fullest extent allowed by the Declaration, Articles, these Bylaws and by law and statutes, including without limitation, C.R.S. §§7-129-101 through 107.

11.3 Non-liability. The Directors, officers, employees and Members of the Association are not, as such, personally liable for the acts, debts, or obligations of the Association.

11.4 Standards. Except as may be allowed by the Declaration and the Nonprofit Act, Directors and officers shall comply with the standards of conduct set forth in C.R.S. §7-128-401 and the conflict of interest standards set forth in C.R.S. §7-128-501 and shall be indemnified as provided therein.

ARTICLE XII COMMITTEES

Pursuant to C.R.S. §7-128-206, the Board may appoint and remove such committees as deemed appropriate in carrying out its purpose or appoint itself as any committee under the Declaration or the Nonprofit Act, and adopt rules, if any, for procedures and appeals from committees to the Board. Committees shall be chaired by a member of the Board.

An Auditing Committee shall be appointed by the President and approved by the Board at least one (1) month prior to each annual meeting of the Members, to serve until the close of such annual meeting. The Auditing Committee shall consist of three (3) Voting Members of the Association. The Auditing Committee shall present an audit of the books and records of the Association at the annual meeting of the Members for approval by the Voting Members.

ARTICLE XIII BOOKS AND RECORDS

The Association shall make available to Owners and lenders, and to holders, or insurers, current copies of the Declaration, Articles, these Bylaws, rules concerning Rustic Hills Acres, and the books, records and financial statements of the Association. “Available” means available for inspection, upon request, during normal business hours or under other reasonable circumstances. In addition, the Association shall comply with the Nonprofit Act including without limitation C.R.S. §§7-136-101 through 106 concerning corporate records and inspection rights.

ARTICLE XIV CORPORATE SEAL

The Association may have a seal in circular form having within its circumference the words: “Rustic Hills Acres” or “Rustic Hills Acres Neighborhood Association”.

ARTICLE XV AMENDMENTS

The Association’s Articles or these Bylaws, or both, may be amended by the Voting Members at a regular or special meeting, with a quorum present, by a vote of at least fifty percent (50%) of the Voting Members (one vote per Lot) who are present in person or by written ballot or by absentee ballot in accordance with C.R.S. §§7-130-101 *et seq.*, 7-130-201 *et seq.*, and 7-127-101, *et seq.*, provided however, that no amendment to the Association’s Articles or these Bylaws shall be contrary to or inconsistent with the provisions of the Declaration. No votes may be cast pursuant to a proxy.

ARTICLE XVI
MISCELLANEOUS

16.1 Fiscal Year. Unless the Board otherwise determines, the fiscal year of the Association shall begin on the first day of June and end on the 31st day of May of every year, except that the first fiscal year shall begin on the date of incorporation.

16.2 Conflict of Documents. In the case of any conflict between the Articles and these Bylaws, the Articles shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

16.3 Proper Conduct during Meetings. The Board may establish a policy governing how meetings will be conducted, including limitations upon discussion, inappropriate behavior, electronic voting, when an executive session may be called, and other matters.

16.4 Procedural Controversy. In the case of procedural controversy during meetings, *Robert’s Rules of Order, Newly Revised*, shall be the parliamentary authority in addition to any rules of conduct established by the Board.

_____, Director (print)

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Rustic Hills Acres, and,

That the foregoing Bylaws constitute the Amended and Restated Bylaws of Rustic Hills Acres, as duly adopted at a meeting of the Board of Directors held on the _____ day of _____, 2017.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____, 2017.

Secretary

| | |
|------------------------------|------------------------------------|
| Submitted, Bylaws Committee | November 9, 1993 |
| Reviewed, Board of Directors | November 9, 1993 |
| Adopted | January 25, 1994 |
| Mailed to Secretary of State | March 4, 1994 |
| First Revision | November 29, 2001 |
| Second Revision | May 14, 2013 |
| Third Revision | <u> </u> , 2017 |

RUSTIC HILLS IMPROVEMENT ASSOCIATION
State of Colorado
County of El Paso
Colorado Secretary of State ID# 19871629888