

**AMENDED AND RESTATED BYLAWS
OF
SOUTHBRIDGE 7 HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the corporation is SOUTHBRIDGE 7 HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at 11901 W. 48TH Avenue, Wheat Ridge, Colorado 80033-2166, but meetings of Members and Directors may be held at such places within the Denver Metropolitan Area, State of Colorado as may from time to time be designated by the Board of Directors of the Association ("Board of Directors" or "Board").

ARTICLE II

PURPOSE

The purpose for which the Association was formed is to govern the Properties, exercise the rights, power and authority, and fulfill the duties of the Association, as provided in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions of Southbridge 7 Homeowners Association, Inc., and any amendments thereto, recorded in the office of the Clerk and Recorder of the County of Arapahoe, Colorado ("Declaration") (terms which are defined in the Declaration shall have the same meanings herein unless otherwise defined), and those certain Amended and Restated Articles of Incorporation of Southbridge 7 Homeowners Association, Inc., and any amendments thereto, filed in the office of the Secretary of State of the State of Colorado ("Articles of Incorporation"). All present and future owners, tenants, occupants, and any other person who may utilize in any manner the Properties, or any portion thereof, or any facilities or appurtenances thereto or thereon, shall be subject in all respects to the covenants, conditions, restrictions, reservations, easements, regulations, and all other terms and provisions set forth in the Declaration, Articles of Incorporation and these Amended and Restated Bylaws ("Bylaws"). The mere acquisition, rental or occupancy of any Lot, or any portion thereof, shall signify that all terms and provisions of the Declaration, Articles of Incorporation and these Bylaws are accepted, ratified and shall be complied with.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held in the same month of each year as the month in which the first annual meeting was held, the specific date and

time thereof to be designated by the Board of Directors of the Association from time to time.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon request of the Members who are entitled to vote one-fourth (1/4) of the votes of the membership. The form of notice, date, time and place of the meeting shall be determined by the Board. If a notice for a special meeting demanded pursuant to petition is not given by the Secretary within thirty (30) days after the date the written demand or demands are delivered to the Secretary, the person signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this Section shall be conducted by the President of the Board, or in his/her absence, a person chosen by a majority of the Board.

Section 3. Budget Meetings. Meetings to consider proposed budgets shall be called in accordance with the Act. The Act's budget process allows for a veto by a percentage of the membership of a proposed budget adopted by the Board of Directors. The Act's budget process to be followed is as follows:

(a) Effective the first full fiscal year after these Bylaws are adopted and become effective, and for each year thereafter, the Board of Directors of the Association is to prepare and approve a proposed budget at least annually. Each such proposed budget is first prepared and approved by the Board of Directors as a proposed budget.

(b) Then, within thirty (30) days after the Board of Director's adoption of the proposed budget, or such longer time as allowed by the Act, the Board of Directors must mail or deliver a summary of the proposed budget to those entitled to vote and set a date for a special or annual meeting to consider ratification of the proposed budget.

(c) Notice for the meeting at which the budget will be considered must be mailed not less than fourteen (14) days nor more than sixty (60) days before the meeting, or such longer time as allowed by the Act.

(d) At the meeting, unless a majority of all votes are cast to reject the proposed budget, the proposed budget is ratified and becomes the approved budget of the Association.

(e) A quorum is not required at the meeting if the meeting is just a budget meeting, but a quorum is required if the meeting is also an annual meeting at which other business is to be conducted.

(f) In the event the proposed budget is rejected by a majority vote, the budget last ratified is continued until such time as a subsequent budget proposed by the Board of Directors is ratified.

Section 4. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days but not more than fifty (50) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, 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. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of the Members and/or proxies, entitled to cast one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. Unless otherwise specifically provided by the Declaration, the Articles of Incorporation, these Bylaws or by statute, all matters coming before a meeting of Members at which a proper quorum is in attendance, in person and/or by proxy, shall be decided by the vote of a majority of the votes validly cast at such meeting.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

Section 7. Voting Procedures. Voting may be by voice, by show of hands, by consent, by mail, by electronic means, by directed proxy, by written ballot, or as otherwise determined by the Board of Directors or the Members present at a meeting. In case of a vote by mail or electronic means, the Secretary shall mail or deliver written notice to all Members at each Member's address as it appears in the records of the Association given for notice purposes. The notice shall include:

- (a) a proposed written resolution setting forth a description of the proposed action;
 - (b) a statement that Members are entitled to vote by mail or electronic means for or against such proposal;
 - (c) a date at least thirty (30) days after the date such notice shall have been given on or before which all votes must be received at the office of the Association at the address designated in the notice; and
 - (d) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote.
- Voting by mail shall be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.

Section 8. Mortgagees. All First Mortgagees of Lots shall have the right to designate a representative to attend all meetings of Members.

ARTICLE IV

BOARD OF DIRECTORS – SELECTION – TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors. Directors shall be Members in good standing with the Association.

Section 2. Qualifications.

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

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

(c) Once elected, a director may not be more than sixty (60) days delinquent in payment of any Assessment.

(d) Any director who has three (3) or more unexcused absences from regular Board meetings within one (1) year shall not be qualified to serve on the Board.

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

Section 3. Term of Office. At each annual meeting, the Members shall elect the same number of directors as there are directors whose terms are expiring at the time of each election, for terms of two (2) years.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a director, his or her successors shall be selected by a majority of the remaining member(s) of the Board, whether or not such remaining member(s) constitute a quorum, and shall serve for the unexpired term of his or her predecessor.

Section 5. Compensation. No director shall receive compensation for any service he or she may render to the Association. However, any director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 6. 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 of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 7. Proxies for Board Meetings. For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.

Section 8. Election. Election to the Board of Directors shall be by secret written ballot unless otherwise agreed by unanimous consent of the Members present at the meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person(s) receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting date fall upon a legal holiday, then that meeting shall be held at the same time on the following day.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board, unless there are fewer than three (3) directors, in which case, unanimity of the directors is required to constitute a decision of the Board.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing the use of the Properties, or any portion thereof, and any facilities thereon and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and the right of a Member to use recreational facilities, if any, during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations.

(c) enter into, make, perform or enforce contracts, licenses and agreements of every kind and description, including without limitation those certain contracts, agreements, licenses, leases, easements and/or rights-of-way as more fully provided in Article II, Section 2(f) of the Declaration;

(d) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and 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 one-fourth (1/4) of the Members who are entitled to vote thereat;

(b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) determine the amount of the maximum annual assessment against each Lot prior to the commencement of each annual assessment period, and give written notice to each Owner of each change in the amount of the actual assessment against his Lot;

(2) foreclose the lien against any Lot for which assessments are not paid within ninety (90) days after the due date, or bring an action at law against the Owner(s) personally obligated to pay the same;

(d) issue, or cause an appropriate officer or authorized agent to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge, but in no event less than Fifteen Dollars (\$15.00), may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment as to all person(s) who rely thereon in good faith;

(e) procure and maintain insurance, as more fully provided in the Declaration;

(f) provide for maintenance and repair of the Common Area including without limitation the landscaping and improvements thereto and thereon, and maintain the landscaping of those portions of Lots which are not enclosed by a fence or other structure; and

(g) notify in writing the First Mortgagee of any Lot, upon written request, when the Owner therefore is in default in the payment of any assessment, or otherwise in default of any obligation under the Declaration, Articles of Incorporation, or these Bylaws and the Board has actual knowledge of such default, and said default has not been cured within sixty (60) days.

ARTICLE VII

RIGHTS OF THE ASSOCIATION

This Association may exercise any and all rights or privileges given to it under the Declaration, the Articles of Incorporation or these Bylaws, or as may otherwise be given to it by law, and every other right or privilege reasonably to be implied therefrom or reasonably necessary to effectuate any such right or privilege.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless the officer shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board of Directors. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association.

Vice-President

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 of the vice-president by the Board of Directors.

Secretary

The secretary or a designated agent shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members together with their addresses; and shall perform such other duties as required by the Board.

Treasurer

The treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign or authorize a designated agent to sign promissory notes and checks of the Association; shall keep proper books of account; shall cause an annual compilation report of the Association books to be made by a Certified Public Accountant at the completion of each fiscal year or, at the option of the Board of Directors of the Association or as provided in Article X, Section 3 of the Declaration, an annual review or audited financial statement may be required; and shall prepare an annual budget to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

Section 9. Delegation. The duties of any officer may be delegated to the managing agent or another Board member; *provided, however,* the officer shall not be relieved of any responsibility under this Section or under Colorado law.

ARTICLE IX

COMMITTEES

The Association shall appoint an Architectural Control Committee, subject to the provisions of the Declaration. In addition, the Board of Directors may appoint other committees as it deems appropriate in carrying out its purposes.

ARTICLE X

BOOKS AND RECORDS

The Association shall make available to Owners, First Mortgagees of Lots, and insurers or guarantors of any such First Mortgage, current copies of the Declaration, Articles of Incorporation, these Bylaws, the rules and regulations, books, records and financial statements of the Association, except documents determined by the Board to be confidential pursuant to a written policy or applicable law. The Board of Directors or the managing agent shall determine reasonable fees for copying. "Available" shall mean available for inspection, upon request, during normal weekday business hours or under other reasonable circumstances.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay assessments to the Association, which assessments are secured by a continuing lien upon the property against which the assessment is made. Any assessment or portion thereof that is not paid when due shall be delinquent. Any assessment or portion thereof which is not paid within ten (10) days after the due date shall bear interest from the due date at such rate as may be determined by the Board of Directors, and the Association may assess a monthly late charge thereon. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and in the event a judgment is obtained, such judgment shall include interest on the assessments as above provided, a reasonable attorneys' fee to be fixed by the Court, together with the costs of the action, and may include late charges. No Owner may waive or otherwise escape liability for the assessments provided for in the Declaration by non-use of the Common Area or abandonment of his Lot.

ARTICLE XII

AMENDMENTS

Subject to Article X of the Declaration, these Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

ARTICLE XIII

CONFLICTS OF PROVISIONS

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; and in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE XIV

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Obligation to Indemnify.

(a) Subject to the qualifications and limitations set forth in this Article, the Association shall indemnify every director, officer and committee member against (i) actual and reasonable expenses (including expert witness fees, attorneys' fees and costs); (ii) judgments and fines; and (iii) reasonable amounts paid in settlement (if approved by the then Board of Directors), to which he or she may be made a party by reason of being or having been an officer, director or committee member, whether or not such person is an officer, director or committee member at the time any such expenses are incurred.

(b) The Association shall indemnify when the persons identified above:

(i) Acted in good faith; and

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

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

Section 2. Determination Required.

(a) A determination whether the person requesting indemnification has met the applicable standard of conduct set forth above shall be made by the Board of Directors by a majority vote of those present at a meeting at which a quorum is present, and only those directors not parties to the action, suit, or proceeding may be counted in satisfying the quorum requirement.

(b) In the alternative, if a quorum cannot be established, or if a majority of those members of the Board of Directors who were not parties to the action, suit or proceeding directs, such determination may be made:

(i) By independent legal counsel in a written opinion; or

(ii) By a vote of the Members; provided that any Member that is a party to the action, suit or proceeding shall not be entitled to vote.

(c) Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe the conduct was unlawful.

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

(e) No indemnification shall be made if:

(i) The person is adjudged guilty of willful misfeasance or malfeasance in the performance of his or her duties;

(ii) The person is adjudged to be liable to the Association in any proceeding by or in the right of the Association; or

(iii) The person is adjudged liable in connection with any other proceeding charging that the person derived an improper personal benefit, whether or not involving action in an official capacity.

(f) Notwithstanding the limitations of this Article, a director, officer or committee member shall be entitled to indemnification for reasonable expenses incurred in connection with a proceeding and reasonable expenses incurred to obtain court-ordered indemnification if a court determines that the person is fairly and reasonably entitled to indemnification in view of all relevant circumstances.

Section 3. Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Directors with:

(a) A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;

(b) A written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 4. No Limitation of Rights. The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board of Directors, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 5. Directors and Officers Insurance. The Association may purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify the person against liability under provisions of this Article.

ARTICLE XV

FISCAL YEAR

The fiscal year of the Association shall begin on the first day of July and end on the 30th day of June every year, except that the first fiscal year shall begin on the date of incorporation, unless otherwise fixed by the Board of Directors by resolution.

By signature below, the Secretary of the Board of Directors certifies these Amended and Restated Bylaws received the affirmative vote of a majority of a quorum of the Members, voting in person or by proxy, at a regular or special meeting of the Members held on the 24th day of July, 2002.

By:

Beth C Kramer
Secretary