

PROPOSED REVISIONS TO OUR BYLAWS



Pine Cone Acres Homeowners Association, Inc.
Bylaws
As Revised and Approved _____

PINE CONE ACRES
A Covenant Neighborhood

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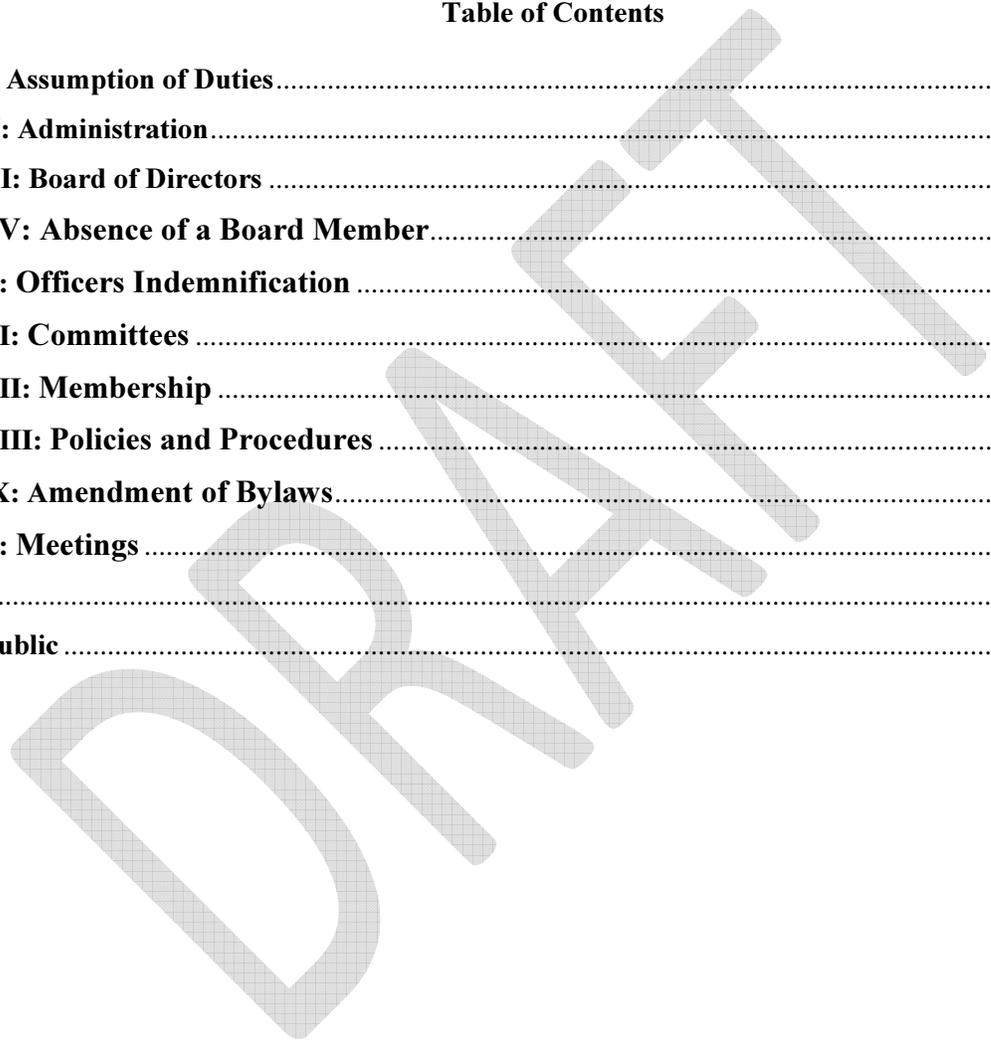
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Article I: Assumption of Duties

The Pine Cone Acres Homeowners Association, Inc. was assumed from Wakonda Western, Inc., the original developer of the Pine Cone Acres subdivision. Pine Cone Acres subdivision therefore, assumes all responsibilities in accordance with the Declaration of Protective Covenants of the Pine Cone Acres subdivision.

Article II: Administration

Pine Cone Acres subdivision shall operate under the name of Pine Cone Acres Homeowners Association, Inc., (hereinafter "PCAHA" or "Association"). The Association is an incorporated non-profit Association, and shall have the power and responsibility of administering and enforcing the Declaration of Protective Covenants of the Pine Cone Acres subdivision. Enforcement includes all conditions, restrictions, assessments and collections included in or as a result of said Covenants. Furthermore, PCAHA shall maintain and operate all property belonging to the Association that may exist or hereafter be acquired by the Association within the Pine Cone Acres subdivision. The Association shall have its principal place of business in El Paso County, Colorado.

Article III: Board of Directors

The Board of Directors shall consist of at least three and up to seven Members in good standing, residing thereon and must govern the affairs of the Association according to the Association's governing documents. The current terms of office of the present Board must be staggered in order to preserve the terms of office. Elections to the Board of Directors will be three-year terms. The election for the Board of Directors will be held prior to the Annual Meeting of the Members by mail-in ballot. The Members shall elect the Board of Directors, with one verifiable vote per Lot owned. At the Annual Meeting, the ballots will be tallied by persons other than a Board of Director and the new Board of Directors will be announced at the meeting. A vacant or resigned Board of Director's vacancy may be filled at the discretion of the Board. Any new director appointed shall serve for the remainder of the term of the director creating the vacancy.

Article IV: Absence of a Board Member

Whenever possible, each Board Member will give advance notice to the President or Secretary of his/her inability to attend a Board Meeting. A majority of the Board may excuse a Board Member's absence from a meeting if requested to do so. The Board may declare a Board Member's position vacant:

- (a) after three (3) consecutive unexcused absences from regular Board Meetings, if the absences were for reasons other than: 1) illness; 2) active or training military duty; or 3) those authorized by resolution of the Board; or
- (b) by missing three (3) consecutive Board Meetings, which may include Annual or special meetings, whose absence is not excused may be removed from the Board by a majority vote of the other Board Members at a meeting where a quorum is present.

If a Board Member is on active duty or training status with the military, the Board will grant an extended leave of absence to cover the period of service or training. The extended leave of absence may not have the effect of extending the Board Member's term. The Board also has the authority to appoint a temporary successor to the absent Board Member's position. The temporary successor shall serve until the Board Member returns or until the end of the Board Member's term.

In the event of the removal of a Board of Director, his/her successor shall be appointed by the remaining Board Members and will serve for the unexpired term of his/her predecessor.

General Rules: The Board of Directors shall have full power and authority to interpret these Bylaws. Board decisions on all questions will be final, binding, and conclusive. The Board of Directors may refer to *Robert's Rules of Order* as a tool and a guideline for conducting meetings.

Compensation: By resolution or motion of the Board of Directors, any director, officer, committee member, or Member may be reimbursed for their expenses. These expenses include materials provided and funds expended on behalf of the Association, which must be approved by the Board and accounted for by the Treasurer. No Board of Director, officer, committee member, or Member shall be entitled to any compensation for personal services performed pursuant to the Covenants and these Bylaws.

Article V: Officers Indemnification:

Each officer, director and volunteer committee person of PCAHA now, previously or hereinafter serving in any such capacity, shall be indemnified by PCAHA 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 Colorado Revised Nonprofit Corporation Act (C.R.S., §7-128-402 and 7-129-101 et. seq.) (the "Nonprofit Act") and the Volunteer Service Act (C.R.S. §13-21-115.5) (the "Volunteer Act"). This right of indemnification shall not be exclusive of any rights to which any director, officer or volunteer committee person or PCAHA may otherwise be entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage. This right of indemnification shall include, without limitation, any and all attorneys' fees, court costs, witness fees, and any other sums allowed by law or statute. No director, officer, or volunteer committee person shall be personally liable to PCAHA or its Members, except as otherwise provided by the Nonprofit Act and/or the Volunteer Act.

- 4.1 **President:** Lead Board Meetings. Sign as the representative for all PCAHA official documentation. Solicit assistance with and delegate Board responsibilities to other Board Members as necessary. Bring the concerns of Members to the Board when phone calls and/or letters are received. Act as liaison between the surrounding community, El Paso County and the Association.
- 4.2 **Secretary:** Perform all administrative duties as may be required by the Board. Take notes and/or recordings for later transcription of each Board Meeting. Transcribe meeting notes into minutes and present to the Board for approval. Responsible for all mailings and/or emailing's to the Membership. In the absence of the Treasurer, provide and present the Treasurer's report. Set all Board Meeting dates, time and place.
- 4.3 **Treasurer:** Collect Assessments and make all Association deposits. Notify the President, or

his/her designee, prior to payment of Association bills in excess of \$200, not previously approved by the Board. Make sure the proper signatures are on file at the bank. Reconcile the Association monthly bank statement. Send regular past due notices and keep detailed records.

Officers shall be elected by the Board of Directors at a meeting held as soon as practical after the Annual Meeting. The officers are President, Secretary, and Treasurer. The officers shall hold office for a one-year term, beginning at the time of the Board Meeting at which the election of officers was held, or until re-elected or their successors are elected and qualify. All officers shall be Members of the Association, must reside therein, and must be a Member in good standing as defined in the Declaration of Protective Covenants.

Article VI: Committees

The Board of Directors may create committees as it deems necessary in carrying out its purpose, including without limitation, pursuant to Colorado Revised Statute C.R.S. 7-128-206 of the Colorado Revised Nonprofit Corporation Act, for the Association. Committees created by the Board of Directors are not entitled to any compensation for services performed pursuant to the governing documents.

Article VII: Membership

Every person or entity (e.g. trust), who is an Owner, is a Member in the Association. Membership shall not be separated from the ownership of any Lot. Each Lot is entitled one vote provided they are a Member in good standing as defined in the Declaration of Protective Covenants. Payment of Annual Assessments is a pre-qualification of the right to vote and to serve on the Board of Directors and/or any committee. Membership cannot be severed by the encumbrance by a Member of a Lot. Every Member automatically is and must remain a Member of the Association, subject to the terms of these Bylaws, Declaration of Protective Covenants, Articles of Incorporation, and policies and procedures of the Association.

Article VIII: Policies and Procedures

PCAHA shall have policies and procedures for the Association as determined by the Board. The Association's policies and procedures will remain in perpetual effect, or until amended or repealed by the Board. All other business of the Association not required to be, or not included in these Bylaws or in the Covenants may be found in the Association's policies and procedures manual.

Article IX: Amendment of Bylaws

These Bylaws may be repealed, altered, amended or supplemented only by vote of the Members. Such vote must require the affirmative vote of a simple majority of Members in good standing voting in person, by proxy or by mail-in ballot at an Annual Meeting or special meeting called for considering amendments or changes to the Bylaws. Any proposed changes to these Bylaws must be submitted in writing to all Members at least 30 days prior to said Annual Meeting or special meeting.

