

**FIRST AMENDMENT
TO THE
AMENDED BY-LAWS OF KIPLING SUN TOWNHOMES ASSOCIATION, INC.**

Kipling Sun Townhomes Association, Inc., a Colorado nonprofit corporation ("Association"), certifies that:

The Association desires to amend its Amended By-Laws currently in effect as follows.

The provisions set forth in this Amendment supersede and replace the provisions set forth in the existing Amended By-Laws.

Pursuant to Section 8.1 of the existing Amended By-Laws, Owners representing interests of at least 67% of the membership voted for and approved the amendments set forth below at the 2002 annual meeting held on December 5, 2002, that meeting being a meeting of the Owners called for such purpose, after notice of a summary of the proposed changes.

NOW THEREFORE, the Amended By-Laws of the Association are hereby amended as follows:

- I. Amendments. The Amended By-Laws are hereby amended as follows:
- (a) Repeal and Restatement. Section 2.5 is hereby repealed in its entirety and the following Section 2.5 is substituted:

Section 2.5 Quorum. The presence of **twenty percent (20%)** of the Members eligible to vote at any meeting, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, and these By-Laws. If the required quorum is not present, the Members who are present shall have power to adjourn the meeting from time to time (to a later date) without notice other than announcement at the meeting until a quorum shall be present or represented.

- (b) Repeal and Restatement. Section 2.6 is hereby repealed in its entirety and the following Section 2.6 is substituted:

Section 2.6 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing. Proxies are not required to be notarized. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof.

(c) **Repeal and Restatement.** Section 3.2 is hereby repealed in its entirety and the following Section 3.2 is substituted:

Section 3.2 **Place of Meetings.** Meetings of the Association shall be held in a public place or such other place convenient and accessible to Members as the Board of Directors may determine. Meetings of the Board should not be conducted in a private residence, unless that place of meeting is the only reasonably available meeting place.

(d) **Repeal and Restatement.** Section 3.7 is hereby repealed in its entirety and the following Section 3.7 is substituted:

Section 3.7 **Order of Business and Rules of Order.** The Board may establish the order of business for all meetings of the Board or Members. Unless the Board prescribes an agenda, the order of business at all meetings of the Members shall be conducted pursuant to Newly Revised Edition, 10th Edition Robert's Rules of Order as follows:

- A. Roll call;
- B. Proof of notice of meeting or waiver of notice;
- C. Reading of Minutes of preceding meeting;
- D. Reports of Officers;
- E. Reports of Committees;
- F. Election of Directors;
- G. Unfinished business;
- H. New business

Failure to strictly follow the above edition of Robert's Rules of Order shall not invalidate any action taken at a meeting of the Board or Members.

(e) **Repeal and Restatement.** Section 4.6 is hereby repealed in its entirety and the following Section 4.6 is substituted:

Section 4.6 **Removal of a Director.** Directors may be removed with or without cause by a vote of Owners of Lots to which at least fifty-one percent (51%) of the votes in the Association are allocated. Notice of the meeting must include possible removal, as required by the Colorado Revised Nonprofit Act. Any Director who shall have three (3) consecutive unexcused absences from scheduled Board meetings shall be deemed to have resigned and shall be deemed removed from the Board.

**AMENDMENT TO THE RULES AND REGULATIONS
OF KIPLING SUN TOWNHOMES ASSOCIATION, INC.**

Pursuant to the directives issued by at least 67% of the membership of the Association at the 2002 annual meeting of the Association held December 5, 2002, The Board of Directors of the Association has taken the following action:


The rules and regulations of the Association are hereby amended by the addition of a new section and new rules as follows:

ADMINISTRATIVE MATTERS:

1. -Any ongoing contract or expenditure (management services, landscape services, etc.) must contain a clause in both the proposal and the contract which states: **"that in no event these services shall exceed \$ _____ [agreed upon amount] _____ for the period ended _____."** If this amount is greater than 3.00% per annum (the last 10 year average of the C.P.I. per the Federal Reserve Bank is 2.66%) in excess over the prior expenditures for this service the contract for those services must be let for competitive bids for that service.
2. The Board of Directors shall cause a written communication (newsletter) to be supplied to each homeowner not less than semi-annually. Such newsletter may be transmitted by mail, hand delivery or via electronic means.

IN WITNESS THEREOF, this Amendment is executed by the undersigned.

KIPLING SUN TOWNHOMES
ASSOCIATION, INC,
A Colorado nonprofit corporation

By: 
J. Kevin Moore, President

Date: 1/14/03