

**BYLAWS  
OF  
CLUB RESIDENCES OWNERS ASSOCIATION**

The name of the corporation shall be CLUB RESIDENCES OWNERS ASSOCIATION, a Colorado nonprofit corporation (the "Association").

**ARTICLE 1  
PURPOSES, ASSENT OF MEMBERS, AND DEFINITIONS**

Section 1.1 Purposes. The specific purposes for which the Association is formed are (i) to provide for maintenance, preservation and management of that certain residential project located in the County of Eagle, Colorado as described in the Declaration of Covenants, Conditions, Restrictions and Easements for Club Residences filed for record with the Clerk and Recorder of Eagle County, Colorado, as the same may be amended or supplemented from time to time (the "Declaration"); and (ii) to serve the legitimate interests of the Owners of each of the Units, and (iii) to promote the general health, safety and welfare of the Owners, residents, and occupants of the Community (as defined in the Declaration). The Property has been established as a Planned Community pursuant to the Colorado Common Interest Ownership Act as set forth in Colorado Revised Statutes 38-33.3-101, et. seq. (the "Act").

Section 1.2 Assent. All present or future Owners, tenants, future tenants or any other persons occupying or using any Unit or facilities within the Community in any manner are subject to these Bylaws and any rules adopted by the Executive Board pursuant to these Bylaws. The mere acquisition or rental of any Unit within the Community or the mere act of occupancy of any Unit shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

Section 1.3 Definitions. Unless otherwise specified, capitalized terms used in these Bylaws shall have the same meanings in these Bylaws as such terms have in the Declaration.

**ARTICLE 2  
MEMBERSHIP**

Section 2.1 Membership. Ownership of a Unit is required in order to qualify for membership in the Association.

Section 2.2 Entity Owners. If title to a Unit is held by a firm, corporation, partnership, association, limited liability company, or other legal entity or any combination thereof, then that entity may appoint, by a writing furnished to the Association, a delegate to represent each such Unit as a candidate for, and if elected, as a member of, the Executive Board. Such delegate shall not vote as a Member of the Association unless such person shall be appointed by a proxy executed in conformance with Sections 3.6 and 3.7 of these Bylaws to case the voting interest of the Unit which he or she represents.

Section 2.3 Responsibilities of Members. Any person, including Declarant, upon becoming an Owner of a Unit shall automatically become a Member of the Association and be subject to these Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair the rights or remedies which the Executive Board of the Association or others may

have against such former Owner arising out of ownership of the Unit and membership in the Association and the covenants and obligations incident thereto.

Section 2.4 Membership Certificates. No certificates of stock shall be issued by the Association, but the Executive Board may, if it so elects, issue membership cards to the Owners of Units. Such membership card shall be surrendered to the Secretary of the Association whenever ownership of the Unit designated on the card shall terminate.

Section 2.5 Membership. There shall be one (1) class of membership consisting of all Owners of Units and the Declarant so long as Declarant owns an interest in a Unit.

Section 2.6 Voting Rights. Each Unit shall be allocated one (1) vote. Members of the Association may exercise such voting rights subject to and in accordance with the provisions herein and those of the Declaration. All Members of the Association shall be entitled to vote on all matters affecting the Community which are required by the Declaration, these Bylaws or the Act to be submitted to the vote of the Owners. The Association shall not have a vote with respect to any Unit that may be owned by it. Declarant shall be entitled to vote with respect to Units owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions of the Declaration, the Responsible Governance Policies (each, a "Policy" and collectively, the "Policies") and these Bylaws, including, without limitation, the suspension of the right to vote as provided in the Policies.

### **ARTICLE 3 MEETINGS OF MEMBERS**

Section 3.1 Place of Meeting. Meetings of the Association shall be held at such place, in or out of the State of Colorado, as the Executive Board may determine.

Section 3.2 Annual Meeting. The first annual meeting of the Association shall be held within one (1) year after the date of the adoption of these Bylaws. Thereafter, the annual meetings of the Association shall be held on a date and at a time selected by the Executive Board in each succeeding year. The purpose of the annual meetings is for the election of members of the Executive Board ("Directors") and the transaction of such other business of the Association as may properly come before the meeting.

Section 3.3 Special Meetings. Special meetings of the Members of the Association may be called by the President, the Executive Board, or by Members holding votes representing one-third (1/3) of the total votes in the Association.

Section 3.4 Notice of Meetings. Written notice shall be given to the Members stating the place, day, and hour of each meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, and shall be delivered and effective not less than ten (10) nor more than fifty (50) days before the date of the meeting, by or at the direction of the President or the persons calling the meeting as provided under these Bylaws, to the registered address for notice of each Unit entitled to be represented by a vote at such meeting (or the Owner's email address if written consent has been received from such Owner to permit email notices). The notice of any meeting of the Owners shall also be posted on the Association's website, if any, and shall be provided by courtesy email to the extent email addresses are available, but the failure to complete either of such courtesy notices shall not affect the validity of the primary notice or meeting. In lieu of a written and mailed notice, if an Owner has consented in writing to receive Association notices and communication via email transmission, the Association shall provide notice of all regular meetings and special meetings of Owners by electronic mail to those Owners consenting to same. At the discretion of the Board, electronic notice of a special meeting may be provided to Owners in addition to required written and mailed notice for those Owners who have not consented to receive email notices.

Section 3.5 Adjourned Meetings. If any meeting of the Association cannot be organized because a quorum, as defined below in Section 3.8, is not in attendance, the Members who are present, either in person or by proxy, and entitled to vote at the meeting may adjourn the meeting from time to time until a quorum is obtained.

Section 3.6 Proxies. Votes may be cast in person or by proxy, but no proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Proxies shall be filed with the Secretary of the Association at or before the appointed time of each meeting. Any form of proxy or written ballot furnished to or solicited by the Association will afford an opportunity for the Members to specify on the form a choice between approval and disapproval of each matter or group of related matters which is known, at the time the form of proxy or written ballot is prepared, and which may come before the meeting. Properly signed proxies delivered by email transmission, facsimile or other electronic means shall be binding as originals and may be voted by the appointed proxy holder.

Section 3.7 Designation of Voting Representative; Proxy. If title to a Unit is held by more than one individual, or by a firm, corporation, partnership, association or other legal entity, or any combination thereof, a proxy may be executed and filed with the Association appointing and authorizing one person or alternate persons to attend membership meetings and to cast the vote allocated to that Unit. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by its terms or by operation of law. A proxy may only be revoked if the Unit Owner gives actual notice of revocation to the person presiding over the Association meeting. With no liability in damages for the consequences of its action, the Association is entitled to reject a proxy vote if the Secretary or other person authorized to tabulate votes has a good faith, reasonable basis for doubting the validity of the signature or the signatory's authority to sign for the Unit Owner. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation is valid unless determined otherwise by a court of competent jurisdiction. In the absence of a proxy, the vote allocated to the Unit shall be suspended in the event that more than one person or entity seeks to exercise the right to vote on any one matter. In the event that a vote is cast by a Member on behalf of such Member's Unit without objection by any other Owner of such Unit or by the person presiding over the meeting, then such voting Member shall be deemed for all purposes under the Declaration and these Bylaws to be the duly and validly appointed representative for all Owners of the Unit, and the Association and the Executive Board shall be entitled to rely on the authority of such Owner to vote with respect to the Unit, and the vote cast by such person shall be the validly cast vote of all of the Owners of such Unit and shall bind such other Owners.

Section 3.8 Quorum and Voting, Attendance. Except as otherwise provided in these Bylaws, the presence in person or by proxy of persons possessing sufficient votes to constitute one-third (1/3) of all votes entitled to be cast at the meeting shall constitute a quorum. Such persons present in person or by proxy shall constitute the persons entitled to vote upon any issue presented at a meeting at which a quorum is present with respect to such issue. Unless a different percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of a majority of all votes represented at a duly called and convened meeting (at which a quorum is present) of the Members shall be sufficient to adopt decisions binding on the Association.

Members may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute attendance and presence in person at a Member meeting.

Section 3.9 Action of Members by Mail Ballot. Any action required to be taken or which may be taken at meetings of the Members may be taken by mail ballot without a meeting, provided that the procedures for same comply in all respects to the provisions of the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101 et seq. (the “Nonprofit Act”).

Section 3.11 Electronic Notices and Voting. Notwithstanding any contrary provision in these Bylaws as related to notices, communications or deliveries to Directors, Owners, Mortgagees, purchasers of a Unit or other parties and/or as related to voting or consents by Directors, Owners or Mortgagees, to the extent presently or in the future permitted by applicable law, the Association shall be authorized, in lieu of the requirements in these Bylaws, to provide notices, communications or deliveries via email transmission or by other permissible electronic means, and Directors, Owners or Mortgagees shall be permitted to vote or consent by email or other permissible electronic means. At the discretion of the Executive Board and to the extent permitted by law, electronic notices, communications or deliveries may be provided in addition to any required written and mailed notice, communication or delivery.

**ARTICLE 4  
EXECUTIVE BOARD**

Section 4.1 Number and Qualification. The affairs of the Association shall be governed by an Executive Board, composed of not less than three (3) nor more than five (5) persons. Except during the period of Declarant control described in Section 4.4 of the Declaration and in Section 4.2 below, during which time all Directors shall be appointed as provided in Section 4.2, the Members of the Association shall be entitled to nominate and elect all members of the Executive Board. The Directors may be nonresidents of Colorado, but each Director independently elected (as opposed to any Directors appointed by Declarant during the Declarant Control Period) shall be an Owner or an appointed representative of an entity Owner.

Section 4.2 Declarant Control. Notwithstanding anything to the contrary provided for herein, Declarant shall be entitled during the Declarant Control Period (defined below) to appoint and remove the members of the Association's Executive Board and officers of the Association, subject to the following restrictions:

4.2.1 Not later than sixty (60) days after conveyance by Declarant of twenty-five percent (25%) of the Units (including Units that may be created on the Expansion Property and added to the Community by future Supplemental Declarations as described in the Declaration) to Owners other than Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Executive Board shall be elected by Owners other than Declarant.

4.2.2 Not later than sixty (60) days after conveyance by Declarant of fifty percent (50%) of the Units (including Units that may be created on the Expansion Property and added to the Community by future Supplemental Declarations as described in the Declaration) to Owners, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board shall be elected by Owners other than Declarant.

4.2.3 Not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board of at least three (3) members, at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant.

4.2.4 The Declarant Control Period is hereby defined as the period of time commencing on the date of incorporation of the Association and terminating on the earliest of the

following events: (i) sixty (60) days after conveyance by Declarant of seventy-five percent (75%) of the Units (including Units that may be created on the Expansion Property and added to the Community by future Supplemental Declarations as described in the Declaration) to Owners other than Declarant, (ii) two (2) years after the last conveyance of a Unit by Declarant in the ordinary course of business, (iii) two (2) years after any prior expansion of the Declaration by Supplemental Declaration and, if necessary, Supplement Plat as provided in the Declaration, or (iv) the date on which Declarant voluntarily relinquishes such power evidenced by a notice recorded in the Office of the Clerk and Recorder of Eagle County, Colorado.

Section 4.3 Initial Executive Board. The names and addresses of three (3) persons who are to initially act in the capacity of Directors until their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Rick MacCutcheon	225 Main St., Ste. C-101 Edwards, CO 81632
Jeff Townsend	225 Main St., Ste. C-101 Edwards, CO 81632
Rick Hermes	225 Main St., Ste. C-101 Edwards, CO 81632

Section 4.4 Terms of Office of Initial Board. The terms of office of the Executive Board initially appointed by Declarant shall be set by Declarant (subject to the requirements of the Act and these Bylaws).

Section 4.5 Terms of Office of Subsequent Boards. Subject to the requirements of Section 38-33.3-303 of the Act, every Director appointed or elected to replace the members of the initial Executive Board appointed by Declarant during the Declarant Control Period shall serve a term of from one (1) to three (3) years, as determined by the Executive Board, with staggered terms encouraged to insure the continuity of the organization, and thereafter each Director shall serve a term of three (3) years. Directors are not subject to term limits. Elections of Directors shall be conducted as provided in Section 4.6 below. The Directors shall hold office until their successors have been elected and qualified.

Section 4.6 Board Elections. Upon the events listed in Section 4.2 above requiring that certain member(s) of the Executive Board be elected by Members other than Declarant, a special meeting of the Association shall be called to hold elections for persons to replace such resigning members of the Executive Board for the remainder of the respective three (3) years then being served by each such Director.

Nominations of candidates for the Executive Board may be made by any Members of the Association (including persons who are then members of the Executive Board). The candidate receiving the largest percentage of all votes of Members present in person or represented by proxy at the meeting shall be elected. Cumulative voting shall not be allowed.

To the extent provided by Section 38-33.3-310 of the Act, votes for positions on the Board shall be taken by secret ballot, and votes on any other matter shall also be taken by secret ballot upon the request of the Executive Board or of two (2) or more of the Members entitled to cast a vote present and voting either in person or by proxy. Ballots shall be counted by a neutral third party (who may be representative(s) of

the Association's managing agent) or by a Director who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such Directors. The results of the vote shall be reported without reference to the names or other identifying information of the Owners who voted.

Section 4.7 Removal of Directors; Vacancies. Directors may be removed and vacancies on the Executive Board may be filled as follows:

4.7.1 By the Members. Any Director may be removed, with or without cause, at any regular or special meeting by a vote of a majority of all Members who are entitled to elect such Directors and who are entitled to elect a successor. A successor to any Director removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

4.7.2 By the Executive Board. Any Director who has three (3) consecutive unexcused absences from Executive Board meetings or who is delinquent in the payment of any Assessment for more than ninety (90) days may be removed by a majority vote of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the affirmative vote of a majority of the remaining Director(s) or by a vote of the Members. In the event of the death, disability or resignation of a Director, a vacancy may be declared by the Executive Board, and a successor may be appointed as provided in Section 4.8 below.

Section 4.8 Vacancies. Any vacancy on the Executive Board may be filled by the affirmative vote of a majority of the remaining Director(s) or by a vote of the Members. Any successor so appointed or elected shall serve for the remainder of the term of the Director replaced.

Section 4.9 Quorum of Directors. The presence in person or by proxy of a majority of the Directors on the Executive Board as determined under Section 4.1 above shall constitute a quorum for the transaction of business. Any act by a quorum of the Directors shall be an act of the Executive Board.

Section 4.10 Place and Notice of Directors' Meetings, Attendance. Any regular or special meeting of the Executive Board may be held at such place within or without the State of Colorado and upon such notice as the Executive Board may prescribe. The Board shall endeavor in good faith to post notices of Board meetings on the Association's website, if any, or otherwise in a conspicuous place within the Community, although the failure to do so will not affect the validity of any Board meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at or after any meeting of the Executive Board, any members of the Executive Board may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Executive Board need be specified in the waiver of notice of such meeting.

The Executive Board may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute attendance and presence in person at a Board meeting.

Section 4.11 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote. Any Executive Board action may also be taken

by mail ballot without a meeting, provided that the procedures for same comply in all respects to the provisions of the Nonprofit Act.

Section 4.14 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association. The Executive Board may do all such acts and things which are not specifically required to be done by the Members of the Association by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws.

Section 4.15 Other Powers and Duties. Without limiting the generality of the powers and duties set forth in Section 4.14 of these Bylaws, the Executive Board shall be empowered and shall have the powers and duties as follows:

4.15.1 To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration.

4.15.2 To adopt and amend from time to time administrative rules and regulations governing the use and operation of the Common Area, as provided in the Declaration.

4.15.3 To keep in good order, condition and repair the Exterior Maintenance Area and the Common Area, as described in the Declaration, and all items of personal property of the Association, if any, used in the enjoyment of the Community. No approval of the Executive Board or the Owners, other than the budgeting procedures set forth in the Declaration, is required for expenditures for these purposes.

4.15.4 To designate and remove personnel and contract providers necessary for the operation, maintenance, repair and replacement of the Exterior Maintenance Area and Common Area in accordance with the terms of the Declaration.

4.15.5 In accordance with the terms of the Declaration, to obtain and maintain in effect the insurance coverage specified in the Declaration to the extent that insurance is reasonably available.

4.15.6 Subject to the budgeting procedures contained in the Declaration, to fix, determine, levy and collect the prorated annual Assessments to be paid by each of the Members and to adjust, decrease or increase the amount of the Assessments and to credit any excess of Assessments over expenses and cash reserves in the manner provided in the Declaration.

4.15.7 To levy and collect special Assessments whenever, in the opinion of the Executive Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs or additional capital expenses, or because of emergencies, subject to the limitations and requirements set forth in the Declaration.

4.15.8 To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided for and as set forth in the Declaration and the Policies of the Association and to enforce a late charge and to collect interest on unpaid Assessments in accordance with the Policies of the Association.

4.15.9 To protect and defend the Community and/or from loss and damage by suit or otherwise.

4.15.10 Subject to restrictions as may be set forth in the Declaration and the Act, to borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws, to assign the Association's right to future income, including Assessments, as security for such borrowing, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness and security.

4.15.11 To dedicate, sell or transfer all or any part of the Common Area, subject to any applicable requirements of the Act and the Declaration. The Act currently restricts the conveyance or encumbrance of the Common Area pursuant to Section 38-33.3-312 of the Act.

4.15.12 To enter into contracts within the scope of their duties and powers.

4.15.13 To establish a bank account for the treasury and for all separate funds which are required or may be deemed advisable by the Executive Board.

4.15.14 To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursement of the Executive Board and to permit examination thereof by Owners and their Mortgagees at convenient weekday business hours.

4.15.15 To prepare appropriate financial statements showing all receipts, expenses or disbursements since the last such statement, including depreciation and other tax information.

4.15.16 To collect working capital deposits as provided in the Declaration.

4.15.17 To authorize and account for as a common expense, reimbursement of members of the Executive Board for their actual and necessary expenses incurred in attending educational meetings and seminars on the responsible governance of the Association, in accordance with Section 38-33.3-209.6 of the Act.

4.15.18 To delegate to the Managing Agent or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties reserved to the Executive Board by law will not be so delegated.

4.15.19 To appoint such committees as it may deem appropriate in carrying out its powers and duties.

4.15.20 In general, to perform all other acts permitted under the Act, to carry on the administration of the Association and to do all those things necessary and responsible in order to carry out the communal aspects of ownership and the proper governance and operation of the Association, all in accordance with the Declaration.

Section 4.16 Managing Agent. The Executive Board may employ for the Association a Managing Agent at a compensation established by the Executive Board, to perform such duties and services specified in Sections 4.14 and 4.15 above as the Executive Board shall authorize; provided, however, that the Executive Board in delegating such duties not be relieved of its responsibility under the Declaration or the Act.

Section 4.17 Directors' Compensation. Directors shall not be paid any compensation for their services performed as such Directors. At the discretion of the Board, each member of the Executive Board may receive reimbursement for reasonable transportation, meals and lodging expenses for attendance at



any regular or special meeting of the Executive Board or for other actual expenses incurred in connection with the performance of his duties of office as a member of the Executive Board.

Section 4.18 Hearing Procedure. The Executive Board will not impose a fine, suspend voting, or suspend any rights of an Association Member or other occupant of the Community for violations of rules and regulations or of the provisions of the Association without compliance with the procedures set forth in the Association's Policy for Enforcement of Covenants and Rules. Such procedures will not be necessary in order to impose any sanction or penalty for nonpayment of a delinquent Assessment.

## **ARTICLE 5 OFFICERS AND THEIR DUTIES**

Section 5.1 Enumeration of Officers. The officers of the Association shall be a President, Vice-President/Secretary and Vice President/Treasurer, and such other officers as the Executive Board may from time to time by resolution create, each of whom shall be members of the Executive Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 5.2 Election of Officers. The election of officers shall take place at the first meeting of the Executive Board and thereafter at the first meeting of the Executive Board following each annual meeting of the Members.

Section 5.3 Term. The officers of the Association shall be elected by the Executive Board and each shall hold office for a three (3) year term or such other term as established by resolution of the Executive Board, unless such officer shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 5.4 Special Appointments. The Executive 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 Executive Board may from time to time determine.

Section 5.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Executive Board. Any officer may resign at any time by giving written notice to the Executive 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 herein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6 Vacancies. A vacancy in any office may be filled by appointment by the Executive Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 5.7 Duties. The duties of the officers are as follows:

5.7.1 President. The President shall preside at all meetings of the Association Members and the Executive Board; shall see that orders and resolutions of the Executive Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; shall sign all promissory notes; and shall exercise and discharge such other duties as may be required by the Executive Board.

5.7.2 Vice-President. The Vice-President shall: act in the place and stead of the President in the event of his absence, inability, or refusal to act; and exercise and discharge such other duties as may be required of the Vice-President by the Executive Board.

5.7.3 Secretary. In addition to the duties set forth in these Bylaws, the Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Members; keep the corporate stamp or seal of the Association, if the Executive Board determines to have a corporate seal, and place it on all papers requiring said stamp of the seal, if any; serve notice of meetings of the Executive Board and of the Association; keep appropriate current record showing the Executive Board and Members of the Association together with their addresses; and shall perform such other duties as required by the Executive Board.

5.7.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall distribute such funds as directed by resolution of the Executive Board; co-sign all promissory notes of the Association; sign all checks of the Association unless the Executive Board specifically directs otherwise; keep proper books of account; cause, as required by Section 9.3 herein, an audit of the Association books to be made by a public accountant; and prepare an annual budget and a statement of income and expenditures to be presented at its regular annual meeting

5.7.5 Multiple Offices. The same individual may simultaneously hold more than one office in the Association, except for the office of the President.

## **ARTICLE 6 INDEMNIFICATION OF DIRECTORS AND OFFICERS**

To the fullest extent permitted by law and consistent with the Articles of Incorporation of the Association, the Association shall indemnify every Director, officer, employee and agent of the Association and every person who serves at the request of the Association as a manager, director, officer, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust or other enterprise or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of that person's capacity as such.

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not committed such actions or omissions in the performance of such person's duties for the Association as to prohibit the Association from indemnifying such person under Colorado law. The foregoing rights shall not be exclusive of other rights to which such Director or officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense.

## **ARTICLE 7 BYLAWS**

Section 7.1 Amendments. These Bylaws may be amended (a) by action of the Executive Board at a regular or special meeting or other vote of the Executive Board authorized by these Bylaws, or (b) by action of the Members at a regular or special meeting or other vote of Members authorized by these Bylaws. No amendment shall serve to shorten the term of any Director, conflict with the Act or delete any provision which must be contained in these Bylaws under the terms of the Act, or conflict with the Articles of Incorporation of the Association or the Declaration. Amendments to the Bylaws approved by action of the members shall control over amendments approved by the Executive Board.

Section 7.2 Compliance With the Act. These Bylaws are intended to comply with the requirements of the Act. If any of these Bylaws conflict with the provisions of the Act, the provisions of the Act will govern the Association.

Section 7.3 Conflict Between Documents. In the case of any conflict between the Articles of Incorporation of the Association and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws or the Articles of Incorporation of the Association, the Declaration shall control.

**ARTICLE 8  
NONPROFIT CORPORATION**

The Association is not organized for profit. No Member of the Association or Executive Board, or person from whom the Association may receive any property or funds, shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations of the Association and in no event shall any part of the funds or assets of the Association be paid as a dividend or be distributed to or inure to the benefit of any member of the Executive Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member or Director acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, but no compensation shall be paid to Directors for services performed as a Director, and (2) any Member or Director may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association, and (3) the distribution of any proceeds of insurance or from condemnation or the sale of the Community as described in the Declaration.

**ARTICLE 9  
MISCELLANEOUS**

Section 9.1 Registration of Mailing Address. All Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or such combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owner(s) to the Secretary of the Association within five (5) days after transfer of title; and such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized by law to represent the interests of all Owners thereof. Notwithstanding the foregoing, the Association shall be entitled to rely upon any such registration or other notice of a change in address of the Owners of a Unit which is signed by less than all of the Owners of such Unit. If the Unit is the registered address of the Owners, then any notice shall have been deemed to be duly given if it is delivered to any person occupying that Unit or, if such Unit is unoccupied, if the notice is held and available for the Owners at the principal office of the Association. The registered address may be changed from time to time by designation in accordance with this Section. An Owner may consent in writing to receiving all notices and communications from the Association via email transmission. Email transmissions shall not constitute formal notice to an Owner if that Owner has not so consented in writing.

Section 9.2 Use of Common Area. Each Owner shall use the Common Area, if any, in accordance with the purpose for which they were intended and without hindering or encroaching upon the lawful rights of the other Owners.

Section 9.3 Audit. Pursuant to Section 38-33.3-303(4)(b)(II) of the Act, the Treasurer shall cause an annual audit of the Association books to be made by a public accountant once every two years if both the annual revenues or expenditures exceed \$250,000.00 and at least one-third of the Units represented by the Association have requested an audit.

Section 9.4 Statement of Account. Upon fourteen (14) days' notice to the Managing Agent, if any, or to the Executive Board, and payment of a reasonable fee, any Owner shall be furnished a statement of the Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, together with such other information available pursuant to the Declaration.

Section 9.5 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Section 9.6 Corporate Reports. The Association shall file with the Secretary of State of Colorado, within the time prescribed by law, corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

Section 9.8 Minutes and Presumptions Thereunder. Minutes or any similar records or the meetings of the Members, or of the Executive Board, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given. Members and the Executive Board may also take action by written consent or by written ballot without a meeting in the manner provided by Colorado law.

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Club Residences Owners Association, a Colorado nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of the Club Residences Owners Association and were duly adopted by the Executive Board of the Club Residences Owners Association on July 30, 2021.

  
Secretary