

**Association Annual Disclosure pursuant to C.R.S. §38-33.3-209.4(2)**

**Prepared March 31, 2022**

Association Name: Club Residences Owners Association  
Association Address: Legends Dr, Edwards Colorado  
Assoc mailing address: c/o Marchetti & Weaver, 28 Second St, Ste 213, Edwards CO 81632

Manager and Designated Agent:

Marchetti & Weaver, LLC

28 Second St, Suite 213, Edwards CO 81632

970-926-6060

Account Manager: Ken Marchetti

Asst Account Manager: Beth Johnston; [bethj@mwcpaa.com](mailto:bethj@mwcpaa.com); 970-926-6060 extension 111

Declaration recorded in Eagle County on July 30, 2021, Reception Number 202117289

- 1) Fiscal Year Commences: January 1, 2022
- 2) Current Year Budget for: 2022, included with financial statements
  - a. 2022 Budget has not been passed as of report preparation date. Default to 2021 approved budget until 2022 budget has been approved
- 3) List of current Regular and Special Assessments, by unit type (may be included with budget)
- 4) Prior Year Annual Financial Statements, including Reserve Funds, if applicable – n/a
- 5) Most Recent audit or financial review – n/a
- 6) Association Insurance Policies:

Property, General Liability, Director and Officers Liability, Fidelity, Umbrella, Other  
Insurer State Farm Fire and Casualty Company  
Policy Number: 96-EJ-Z870-0 Policy Expiration Date: August 17, 2022  
Policy Limits: See Summary Policy Deductibles: \$5000
- 7) Association Governing Documents (Article of Inc., Bylaws, Rules & Regulations)
- 8) Association Responsible Governance Policies under 38-33.3-209.5
  - i. Collections of unpaid assessments
  - ii. Enforcement of covenants and rules
  - iii. Inspection and copying of records
  - iv. Conduct of meeting
  - v. Handling of conflicts of interest involving board members
  - vi. Procedures for address disputes between Association and unit owners
  - vii. Investment of reserve funds & Reserve study requirements
  - viii. Procedures for adoption of policies, procedures and rules
- 9) Prior Year Minutes of Executive Board and Member meetings (may be subject to approval)

## List of Assessments, Fees and Charges

### Current Regular and Special Assessments, Fees and Charges:

- 1) Annual Assessments, per Lot, due quarterly by the first of January, April, July, and October 1 each year.
  - a. 2021: Operating \$0    Reserve \$0                      Total \$0
- 2) Reserves/Working Capital: one quarter of current year's assessments
- 3) Special Assessments: no special assessments pending at the time of preparation
- 4) Title Statement preparation fee: \$100
- 5) Record Change Fee: \$0
- 6) Document Access Fee: \$0

Club Residences Owners Association  
 Statement of Revenues, Expenses and Changes in F Printed: 09/23/21  
 Actual, Budget and Forecast for the Periods Indicated

Operating Fund	Approved 2021 Budget	Forecast Variance Favorable (Unfavor)	2021 Forecast	Preliminary		
				8 Months Ended 8/31/21	8 Months Ended 8/31/21	Variance
				Actual	Budget	Favorable (Unfavor)
<b>Revenues</b>						
Operating Fund Assessments per Unit	6,500		0			
Reserve Fund Assessments per Unit	800		0			
Operating Assessment	58,500	(58,500)	0	0	0	0
Assessment Transfer to Replacement Res		0	0	0	0	0
Other Income		4,690	4,690	0	0	0
Title Company Statement Fees	100	(100)	0	0	0	0
Interest Income	0	0	0	0	0	0
<b>Total Revenues</b>	<b>58,600</b>	<b>(53,910)</b>	<b>4,690</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>General &amp; Admin Expenses</b>						
Accounting Tax Return Prep.	300	300	0	0	0	0
Taxes - Federal State & Local	0	0	0	0	0	0
Bank Charge incl Check Stock	420	245	175	0	0	0
Insurance Expense	900	275	625	625	900	275
Title Statement Prep	100	100	0	0	0	0
Legal Fees	500	500	0	0	0	0
Management Fees	12,000	9,210	2,790	930	1,000	70
Office Supplies	300	200	100	0	0	0
Dues, Registration & Website Hosting	250	250	0	0	0	0
<b>Total G&amp;A Expenses</b>	<b>14,770</b>	<b>11,080</b>	<b>3,690</b>	<b>1,555</b>	<b>1,900</b>	<b>345</b>
<b>Operations &amp; Maintenance Expenses</b>						
Building Facade Repair & Maint		0		0	0	0
Sidewalk, Driveways Repair & Maint		0		0	0	0
General Repairs & Maintenance	1,000	1,000	0	0	0	0
Irrigation System Maintenance		0		0	0	0
Landscape, Lawncare, Flower Beds	20,000	20,000	0	0	0	0
Tree Care	0	0		0	0	0
Lights Common and Seasonal	1,000	1,000	0	0	0	0
Snow Removal	12,000	12,000	0	0	0	0
Trash Removal	4,500	4,500	0	0	0	0
Water for Irrigation	4,000	4,000	0	0	0	0
Contingency	1,330	330	1,000		0	0
<b>Total Operations &amp; Maintenance Exp</b>	<b>43,830</b>	<b>42,830</b>	<b>1,000</b>	<b>0</b>	<b>256</b>	<b>256</b>
<b>Total Expenditures</b>	<b>58,600</b>	<b>53,910</b>	<b>4,690</b>	<b>1,555</b>	<b>2,156</b>	<b>601</b>
<b>Revenue Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,555)</b>	<b>(2,156)</b>	<b>601</b>
Beginning Fund Balance	0	0	0	0	0	0
<b>Ending Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,555)</b>	<b>(2,156)</b>	<b>601</b>

Replacement Fund	Approved 2021 Budget	Forecast Variance Favorable (Unfavor)	2021 Forecast	Preliminary		
				8 Months Ended 8/31/21	8 Months Ended 8/31/21	Variance
				Actual	Budget	Favorable (Unfavor)
<b>Revenues</b>						
Replacement Reserve Assessment	7,200	(7,200)	0	0	0	0
Transfer from Operating to Replacement		0	0	0	0	0
Interest Income - Reserve	0	0	0	0	0	0
<b>Total Revenues</b>	<b>7,200</b>	<b>(7,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Expenditures</b>						
Common Area Repairs	0	0	0	0	0	0
Driveway Repair	0	0	0	0	0	0
Landscape & Irrigation Repair	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Revenue Over (Under) Expenditures</b>	<b>7,200</b>	<b>(7,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Beginning Fund Balance	0	0	0	0	0	0
<b>Ending Fund Balance</b>	<b>7,200</b>	<b>(7,200)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

**Anglers Preserve Owners Association  
Balance Sheets  
As of the Dates Indicated**

Printed: 09/23/21

<b>Operating Fund</b>	<b>8/31/21</b>	
<b>Current Assets</b>		
First Bank Operating Account	14,000	
<b>Total Cash</b>	<u>14,000</u>	
Accounts Receivable	0	
Prepaid Expenses	0	
Gate Transmitter Inventory	0	
<b>Total Assets</b>	<u>14,000</u>	-
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable	930	
Due To (From) Reserve Fund	0	-
Deferred Revenue	0	
Prepaid Assessments	0	
Member Working Capital Deposits	14,625	
<b>Total</b>	<u>15,555</u>	
<b>Fund Equity</b>		
Operating Fund Balance	(1,555)	
<b>Total Fund Equity</b>	<u>(1,555)</u>	
<b>Total Liabilities and Fund Equity</b>	<u>14,000</u>	
	=	-
<b>Replacement Fund</b>	<b>8/31/21</b>	
<b>Current Assets</b>		
Replacement Reserve Bank Account	0	
Due From (To) Operating Fund	0	
<b>Total Assets</b>	<u>0</u>	
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities</b>		
Deferred Reserve Revenue	0	
<b>Total Liabilities</b>	<u>0</u>	
<b>Fund Equity</b>		
Replacement Reserve Fund Balance	0	
<b>Total Fund Equity</b>	<u>0</u>	
<b>Total Liabilities and Fund Equity</b>	<u>0</u>	
	=	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

**State Farm Fire and Casualty Company**  
**CMP Homeowners Association (HOA) Policy**

Printed: August 3, 2021 | New Busn: September 1, 2020 | Ren Busn: November 1, 2020 | Eff. Date: August 3, 2021 New Business

**Prepared for**

Club Residences Owner's Association

Legends Drive

Edwards, Colorado 81632

[Selected Hurricane Wind Risk Value: Low]

Number of locations quoted: 1

**Prepared by**

Cathy Thompson

Agency: 06-1894

Phone: 970-926-1600

Email: cathy.thompson.coq1@statefarm.com

**Basic Policy Deductible**

**\$5,000**

**Liability Property Damage Deductible**

**None**

**Policy Coverages**

	<b>Amount</b>	<b>Premium</b>
Coverage A - Auxiliary Structure(s)	\$0	\$0.00
Coverage B - Business Personal Property	\$0	\$0.00
Coverage C - Loss of Income - 12 Months	Actual Loss Sustained	
Coverage L - Business Liability - Per Occurrence	\$1,000,000	\$111.00
Coverage L - Business Liability - Annual Aggregate	\$2,000,000	
Coverage M - Medical Expenses	\$5,000	

**Basic Premium**

**\$111.00**

**Optional Coverages**

	<b>Amount</b>	<b>Premium</b>
Directors and Officers Liability	\$1,000,000 D&O Liability Limit	\$196.00

**Credits and Charges which have been applied**

	<b>Adjustment</b>
Claims History Rating	-20%

**Total Annual Premium (Minimum Applied):** **\$625.00**

**Monthly Premium (Service charge not included):** **\$52.08**

**Business Information**

**Loc - Legends Drive 81632**

Zone & Subzone: 21 | 1

Units: 9 | Stat: 871

This quote contains only a general description of some available coverages and limits with an approximate premium, subject to eligibility. It is not a contract, binder of coverage or coverage recommendation. All coverages are subject to the terms, provisions, exclusions, and conditions in the policy and its endorsements. If information used for rating changes or different rates are effective at the time of policy issuance, this rate quote may be revised. If you have any questions, please contact my office.

Last Revised Date: April 30, 2021 10:30:24 | Estimate valid until: September 02,2021



**STATE FARM FIRE AND CASUALTY COMPANY**  
 A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS

**DECLARATIONS**

Po Box 888854  
 Dunwoody, GA 30356-0854

**Named Insured**

002155 3123  
**CLUB RESIDENCES OWNERS ASSOCIATION**  
 225 MAIN ST UNIT C101  
 EDWARDS CO 81632-8143

M-20-1894-FAD1 F V

<b>Policy Number</b>	<b>96-EJ-Z870-0</b>	
<b>Policy Period</b>	<b>Effective Date</b>	<b>Expiration Date</b>
12 Months	AUG 17 2021	AUG 17 2022
The policy period begins and ends at 12:01 am standard time at the premises location.		

**Agent and Mailing Address**  
 CATHY THOMPSON  
 PO BOX 1227  
 EDWARDS CO 81632-1227  
 PHONE: (970) 926-1600



ST-2  
 0111-2000

**Residential Community Association Policy**

**Automatic Renewal** - If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

**Entity:** Corporation



**POLICY PREMIUM** \$ 625.00  
**Minimum Premium**

Prepared  
 SEP 13 2021  
 CMP-4000

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Continued on Reverse Side of Page

**DECLARATIONS (CONTINUED)**

**Residential Community Association Policy for CLUB RESIDENCES OWNERS**  
Policy Number 96-EJ-Z870-0

**This Policy does not provide any SECTION I - PROPERTY coverage**

**SECTION II - LOCATION SCHEDULE**

<b>Location Number</b>	<b>Location of Described Premises</b>
001	LEGENDS DRIVE EDWARDS CO 81632

**SECTION II - LIABILITY**

<b>COVERAGE</b>	<b>LIMIT OF INSURANCE</b>
Coverage L - Business Liability	\$1,000,000
Coverage M - Medical Expenses (Any One Person)	\$5,000
Damage To Premises Rented To You	\$300,000
Directors And Officers Liability	\$1,000,000
<b>AGGREGATE LIMITS</b>	<b>LIMIT OF INSURANCE</b>
Products/Completed Operations Aggregate	\$2,000,000
General Aggregate	\$2,000,000
Directors and Officers Aggregate	\$1,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II - Liability in the Coverage Form and any attached endorsements.

DECLARATIONS (CONTINUED)

Residential Community Association Policy for CLUB RESIDENCES OWNERS  
Policy Number 96-EJ-Z870-0



Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

ST-2  
0211-2000

**FORMS AND ENDORSEMENTS**

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CMP-4100	Businessowners Coverage Form
CMP-4561.1	Policy Endorsement
CMP-4206.1	Amendatory Endorsement
FE-6999.3	Terrorism Insurance Cov Notice
CMP-4550	Residential Community Assoc
CMP-4815	Directors/Officers Endorsement
CMP-4746.1	Hired Auto Liability

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This policy is issued by the State Farm Fire and Casualty Company.

Participating Policy

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

*Lynne M. Youell*  
Secretary

*Michael J. Ligon*  
President

Prepared  
SEP 13 2021  
CMP-4000

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Colorado Secretary of State  
 Date and Time: 05/19/2021 03:41 PM  
 ID Number: 20211468281  
 Document number: 20211468281  
 Amount Paid: \$50.00

Document must be filed electronically.  
 Paper documents are not accepted.  
 Fees & forms are subject to change.  
 For more information or to print copies  
 of filed documents, visit [www.sos.state.co.us](http://www.sos.state.co.us).

ABOVE SPACE FOR OFFICE USE ONLY

**Articles of Incorporation for a Nonprofit Corporation**

filed pursuant to § 7-122-101 and § 7-122-102 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name for the nonprofit corporation is Club Residences Owners Association.  
*(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)*

2. The principal office address of the nonprofit corporation's initial principal office is

Street address 225 Main Street  
*(Street number and name)*  
Suite C-101  
Edwards CO 81632  
*(City) (State) (ZIP/Postal Code)*  
United States  
*(Province – if applicable) (Country)*

Mailing address PO Box 5127  
*(leave blank if same as street address) (Street number and name or Post Office Box information)*  
Edwards CO 81632  
*(City) (State) (ZIP/Postal Code)*  
United States  
*(Province – if applicable) (Country)*

3. The registered agent name and registered agent address of the nonprofit corporation's initial registered agent are

Name  
 (if an individual) Townsend Jeffrey M  
*(Last) (First) (Middle) (Suffix)*

**OR**  
 (if an entity) \_\_\_\_\_  
*(Caution: Do not provide both an individual and an entity name.)*

Street address 225 Main Street  
*(Street number and name)*  
Suite C-101  
Edwards CO 81632  
*(City) (State) (ZIP Code)*

Mailing address  
(leave blank if same as street address)

PO Box 5127  
(Street number and name or Post Office Box information)

Edwards CO 81632  
(City) (State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent above has consented to being so appointed.

4. The true name and mailing address of the incorporator are

Name  
(if an individual) Townsend Jeffrey M  
(Last) (First) (Middle) (Suffix)

**OR**

(if an entity) \_\_\_\_\_  
(Caution: Do not provide both an individual and an entity name.)

Mailing address PO Box 5127  
(Street number and name or Post Office Box information)

Edwards CO 81632  
(City) (State) (ZIP/Postal Code)  
United States  
(Province – if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The corporation has one or more additional incorporators and the name and mailing address of each additional incorporator are stated in an attachment.

5. (If the following statement applies, adopt the statement by marking the box.)

The nonprofit corporation will have voting members.

6. Provisions regarding the distribution of assets on dissolution:

See attachment

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (**Caution:** *Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.*)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are \_\_\_\_\_.  
(mm/dd/yyyy hour:minute am/pm)

**Notice:**

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes. This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

Townsend                      Jeffrey                      M  
(Last)                                      (First)                                      (Middle)                                      (Suffix)  
225 Main Street  
(Street number and name or Post Office Box information)  
Suite C-101  
Edwards                                      CO                      81632  
(City)    (State)                                      (ZIP/Postal Code)  
United States  
(Province – if applicable)                                      (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

**Disclaimer:**

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

**ATTACHMENT  
TO  
ARTICLES OF INCORPORATION FOR A NONPROFIT CORPORATION  
CLUB RESIDENCES OWNERS ASSOCIATION**

Pursuant to § 7-122-102, of the Colorado Revised Statutes, the following additional provisions are hereby incorporated into the foregoing Articles of Incorporation for Club Residences Owners Association, a Colorado nonprofit corporation (the "Association"). In the event the foregoing and this attachment conflict, this attachment shall control:

10. Limitation of Liability: No director of the Association shall have any liability to the Association or to its members for monetary damages for breach of fiduciary duty as a director or be personally liable for any injury to person or property arising out of a tort committed by and employee, except to the extent such exemption from liability is not permitted under the Colorado Revised Nonprofit Corporation Act. Any repeal or modification of the foregoing sentence shall not adversely affect any right or protection of a director in respect of any act or omission occurring prior to such repeal or modification.

11. Dissolution: The Association may be dissolved in the manner permitted by the Colorado Revised Nonprofit Corporation Act and with the assent given in writing and signed by members representing not less than sixty-seven percent (67%) of the aggregate number of votes as described in the Declaration for Club Residences recorded or to be recorded in the office of the Clerk and Recorder of Eagle County, Colorado, as amended from time to time (the "Declaration"). Upon dissolution of the Association, the assets, both real and personal, of the Association shall be distributed pursuant to the Declaration and the Colorado Common Interest Ownership Act (CCIOA), as set forth in Article 33.3, Title 38, Colorado Revised Statutes, as such Act exists on the date hereof, except to the extent that the applicability of future amendments to the Act are mandatory.

**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



**RESPONSIBLE GOVERNANCE POLICIES AND PROCEDURES  
OF  
CLUB RESIDENCES OWNERS ASSOCIATION**

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**RESOLUTIONS**

The Executive Board of Club Residences Owners Association, a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolutions:

**RESOLVED**, that the following Policies and Procedures of the Association are hereby adopted and ratified:

**POLICY FOR COLLECTION OF UNPAID ASSESSMENTS AND OTHER CHARGES**

1. Due Dates. The annual assessments as determined by the Association and as allowed for in the Association's governing documents shall be due and payable quarterly on the first day of each calendar quarter, with such payments to be made in the amount specified in the most recent written notice from the Association. Any assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur interest as provided below.

2. Receipt Date. The Association shall post payments on the day that the payment is received by the Association.

3. Interest; Late Fee; Returned Check Charge. If any assessment remains unpaid fifteen (15) days after the due date, the Association is entitled to impose and shall impose interest equal to 1% of such assessment per month, which interest shall be imposed on the first day of each calendar month, so long as the assessment remains unpaid. In addition, the Association shall be entitled to impose and shall collect a fee of \$20.00 against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. All interest and fees described in this paragraph are collectively referred to in this Policy as "Late Charges". Any Owner delinquent in the payment of Assessments shall be automatically suspended from voting in Association matters during the period of delinquency.

4. Personal Obligation for Late Charges. Any Late Charges shall be the personal obligation of the Owner(s) of the Unit for which such assessment or installment is unpaid. All Late Charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Payment Plans. Except as otherwise provided in this Section, in the event that an Owner owes past due assessments or other delinquent payments, including associated fees, Late Charges, other charges, attorneys' fees, or fines, the Association shall make a good faith effort to coordinate with the Owner to set up a payment plan that will govern the Owner's payment of the deficiency. Any such payment plan will permit the Owner to pay off the deficiency in equal installments over a period of at least six months. In the event the Owner fails to comply with the terms of the payment plan, including by failing to timely remit payment of an agreed-upon installment or by failing to remain current with regular assessments as they come due during the six-month period, the Association may pursue legal action against the Owner. An Owner shall have no right to enter into a payment plan with the Association if such Owner does not occupy the Unit and has acquired the Unit as a result of: (1) a default of a security interest; or (2) foreclosure of the Association's lien. In addition, an Owner shall have no right to enter into a payment plan with the Association, and the Association shall have no obligation to negotiate a payment plan with an Owner, if such Owner has previously entered into a payment plan with the Association for payment of a deficiency.

6. Collection Process. In the event an Owner fails to timely pay assessments, Late Charges, or other charges as provided herein, the Owner's delinquent account may ultimately be turned over to a collection agency or an attorney for legal action. But, before the Association turns over any delinquent account to a collection agency or attorney for legal action, the Association will send the Owner a written Notice of Delinquency (form attached as Exhibit A to this Policy below) in accordance with Colorado law. The collection process will proceed as follows:

(a) Prior to commencement of the formal collection process contained in this Section, the Association, by or through its managing agent if applicable, may send such reminders, notices, re-billing statements or other communications to an Owner regarding the status of the Owner's account as the Association shall determine.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days past due, before turning the delinquent account over to a collection agency or referring the delinquent account to an attorney for legal action, the Association, by or through its managing agent if applicable, shall send the Owner a written notice of delinquency ("Notice of Delinquency") setting forth the total amount due with an accounting

therefor, whether an opportunity to enter into a payment plan exists and instructions therefor, the name and contact information of the individual who can provide a copy of the Owner's ledger for verification of the debt amount, and that action is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing of a lien statement and foreclosure of a lien against the Owner's Unit, or other remedies under Colorado law.

(c) Thirty days after the mailing of the Notice of Delinquency, if a valid payment plan has not been agreed with the delinquent Owner, the Association may turn over the delinquent account to a collection agency and may record a statement of assessment lien in the real property records of Eagle County, Colorado. In addition, at such time as the balance of the assessments and Late Charges owing to the Association by an Owner equals or exceeds six months of common expense assessments based on the Association's periodic budget, the Board may, by a vote in accordance with the Bylaws, authorize the filing of a legal action against the Owner or the Owner's Unit. If the Board votes to authorize such action, then the Association may refer the Owner's delinquent account to the Association's attorney for communication with the delinquent Owner and legal action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorneys' fees together with the cost of the action and any applicable interest and late fees.

7. Attorneys' Fees and Collections Costs on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, in the event the Association refers a delinquent account to an attorney for legal action as provided under Colorado law, the Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorneys' fees incurred by the Association shall be due and payable immediately when incurred, upon demand. In addition, if a delinquent account is turned over to a collections agency, the Association shall be entitled to reimbursement for collection costs.

8. Application of Payments. All payments received on account of any Owner, shall be applied to payment of any and all legal fees and costs (including attorneys' fees), expenses of enforcement and collection, Late Charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

9. Association's Legal Remedies. In the event an Owner fails to timely pay assessments, Late Charges, or any other charges or fees related to the assessments, the following legal remedies shall be available to the Association to collect on the Owner's delinquent account: use of collections agency; lawsuit against the Owner; filing of a lien statement and foreclosure of the Association's lien on the Owner's Unit, with such lien to also secure reasonable attorneys' fees incurred for collection and enforcement of such lien; acceleration of all remaining assessment installments for the remainder of the fiscal year; Owner's payment of reasonable rent to the Association for the Unit, in the event of any foreclosure of a lien on the Unit; and any and all other remedies available under Colorado law and/or the Association's governing documents. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

10. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee, upon written request, a written statement setting forth the amount of unpaid assessments

currently levied against such Owner's property for a fee to be determined by the Association from time to time.

11. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the managing agent shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

12. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Executive Board shall determine appropriate under the circumstances.

13. Defenses. Except as expressly provided by applicable law, failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorneys' fees and/or costs as described and imposed by this Policy.

**EXHIBIT A TO COLLECTIONS POLICY**

**NOTICE OF DELINQUENCY  
CLUB RESIDENCES OWNERS ASSOCIATION**

Owner Name: \_\_\_\_\_  
Owner Unit Number: \_\_\_\_\_  
Date of Notice of Delinquency: \_\_\_\_\_

This Notice of Delinquency is being provided to inform you that the Association's records indicate that you have failed to timely pay assessments and/or related charges to the Association and that accordingly, you are deemed to have a delinquent account.

As of the date of this Notice of Delinquency, the total amount due is: \_\_\_\_\_.  
This amount was determined as follows:

Assessments: \_\_\_\_\_  
Interest: \_\_\_\_\_  
Late Charges: \_\_\_\_\_  
Other: \_\_\_\_\_  
Total Amount Due: \_\_\_\_\_

Payment Plan: (check one)

- You have the opportunity to enter into a payment plan with the Association pursuant to C.R.S. § 38-33.3-316.3. If you are interested in entering into a payment plan on these or other terms, please contact \_\_\_\_\_ at \_\_\_\_\_.
- You are not eligible for a payment plan for reasons provided by law. If you have any questions about why you are not eligible for a payment plan please contact \_\_\_\_\_ at \_\_\_\_\_.

If you would like to receive a copy of your ledger in order to verify the amount of the debt, please contact \_\_\_\_\_ at \_\_\_\_\_

**PLEASE BE AWARE THAT ACTION IS REQUIRED TO CURE THE DELINQUENCY AND FAILURE TO DO SO WITHIN THIRTY (30) DAYS AFTER THE DATE OF THIS NOTICE MAY RESULT IN YOUR DELINQUENT ACCOUNT BEING TURNED OVER TO A COLLECTION AGENCY, A LAWSUIT BEING FILED AGAINST YOU AS OWNER, THE FILING OF A LIEN STATEMENT AND FORECLOSURE OF A LIEN AGAINST THE UNIT, OR OTHER REMEDIES AVAILABLE UNDER COLORADO LAW.**

## **POLICY FOR ENFORCEMENT OF COVENANTS AND RULES**

1. Reporting Violations. Complaints regarding alleged violations of the Declaration, Bylaws, Articles of Incorporation, any rules and regulations adopted by the Association, or other governing documents of the Association may be reported by an Owner or resident within the Community, a group of Owners or residents, the Association's management company, Board member(s) or committee member(s) by submission of a written complaint.

2. Complaints.

(a) Complaints by Owners or residents shall be in writing and submitted to the Executive Board through the Association's managing agent or directly to an officer of the Association, which writing can be by email. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

(b) Complaints by a member of the Executive Board, a committee member, or the managing agent, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a Director or managing agent.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by the Association's managing agent.

4. Initial Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have thirty (30) days from the date of the letter to come into compliance. With respect to matters that are an immediate nuisance or capable of immediate cure, the Violator may be given such shorter period of time to come into compliance as the Association's managing agent may reasonably determine.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within the period of time stated in the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining that if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter, provided that such hearing is requested in writing within thirty (30) days of the date on the second violation letter. If the alleged Violator does not timely request a hearing, he or she shall be deemed to have waived any and all rights to a hearing with respect to the matter.

6. Continued Violation After Second Letter. If the alleged Violator does not come into compliance within thirty (30) days of the second letter (or, in the event the alleged Violator has requested a hearing after receipt of the second letter, thirty (30) days after that hearing if the merits of the matter are determined against the alleged Violator at the hearing), this will be considered a third violation for which a fine may be imposed. A third letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. The alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived

any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

7. Continued Violation After Third Letter. If the alleged Violator does not come into compliance within thirty (30) days of the third letter, this will be considered a fourth violation for which a fine may be imposed. A fourth letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. Again, the alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

8. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other impartial decision maker, as such term is defined in C.R.S. 38-33.3-209.5(2)(b)(II), conducting such hearing as may be determined in the sole discretion of the Board (the "Hearing Panel"), shall serve a written notice of the hearing to all parties involved at least ten (10) days prior to the hearing date.

9. Hearing. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Hearing Panel shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Hearing Panel, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Hearing Panel shall, within a reasonable time, not to exceed ten (10) days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Hearing Panel members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision unless the alleged Violator is deemed to have been denied the right of due process.

10. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within ten (10) days of the second violation letter as provided in Section 5 above, or fails to appear at any hearing (which appearance may be by teleconference), the Hearing Panel may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures. Notwithstanding the foregoing, if an alleged Violator failed to timely request a hearing as provided in Section 5 above but later requests a hearing within ten (10) days following any written notice of a later fine, the Board shall schedule a hearing on the merits of the matter within a reasonable time.

11. Notification of Decision. The decision of the Hearing Panel shall be in writing and shall be provided to the Violator within ten (10) days of the hearing, or if no hearing is requested, within ten (10) days of the final decision.

12. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

- (a) First violation: Warning letter
- (b) Second violation (of same covenant or rule): \$100.00

- (c) Third violation (of same covenant or rule): \$250.00
- (d) Fourth and subsequent violations (of same covenant or rule): \$500.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or other governing documents of the Association.

14. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means. Without limiting the generality of the foregoing, (a) the Executive Board may provide a written notice of violation (with a ten day right of the alleged Violator to request a hearing) pursuant to the procedures above stating the Board's intention to suspend the alleged Violator's right to vote on Association matters, to suspend any services provided by the Association and/or to impose other sanctions authorized in the Declaration or the Act, and (b) the Executive Board may at any time take legal action without the necessity of advance notice of violation if the Board determines that immediate relief is necessary.



## **POLICY FOR INSPECTION AND COPYING OF ASSOCIATION RECORDS**

1. Record Retention. The Association shall retain the following records as required by Colorado law, which may be retained in electronic files:
  - a. Detailed records of receipts and expenditures affecting the operation and administration of the Association;
  - b. Records of claims for construction defects and amounts received in settlement of those claims;
  - c. Minutes of all meetings of Owners and the Executive Board;
  - d. A record of all actions taken by Owners or the Executive Board without a meeting;
  - e. A record of all actions taken by any committee of the Executive Board;
  - f. Written communications among and the votes cast by members of the Executive Board when such communications and votes are directly related to an action taken by the Executive Board without a meeting pursuant to C.R.S. § 7-128-202 or pursuant to the Association's Bylaws;
  - g. The names of Owners in a form that permits preparation of a list of the names of all Owners and the physical mailing addresses at which the Association communicates with them, showing the number of votes each Owner is entitled to vote;
  - h. The current Declaration, Covenants, Bylaws, Articles of Incorporation, Rules and Regulations, Responsible Governance Policies, and other policies adopted by the Executive Board;
  - i. Financial statements for the past three years and tax returns of the Association for the past seven years, if available;
  - j. A list of names, e-mail addresses and physical mailing addresses of current members of the Executive Board and officers of the Association;
  - k. The Association's most recent annual report delivered to the Secretary of State, if any;
  - l. Financial records sufficiently detailed to enable the Association to comply with C.R.S. § 38.33.3-316(8) concerning statements of unpaid assessments;
  - m. The Association's most recent reserve study, if any;
  - n. Current written contracts to which the Association is a party and contracts for work performed for the Association within the past two years;
  - o. Records of Executive Board or committee actions to approve or deny any requests for design or architectural approval from Owners;
  - p. Ballots, proxies, and other records related to voting by Owners for one year after the election, action, or vote to which they relate;
  - q. Resolutions adopted by the Association's Executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of members or any class or category of members;
  - r. All written communications within the past three years to all Owners generally as Owners; and
  - s. All written consents provided by Owners and residents to the Association consenting to the disclosure of such Owners' and residents' telephone number, electronic mail address, or both.

2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association described in Section 1 above, subject to the exclusions, conditions and requirements set forth below:

a. The inspection and/or copying of the records of the Association shall be at the Owner's expense;

b. The inspection and/or copying of the records of the Association shall be conducted during the regular business hours of 9:00 a.m. to 4:00 p.m. at the offices of the Managing Agent, from time to time;

c. The Owner shall complete, sign and deliver to the Managing Agent an Agreement Regarding Inspection of Association Records (the "Agreement") in the form attached hereto as Exhibit A to Records Policy at least ten (10) days before the date on which the Owner wishes to inspect and/or copy such records. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

3. Restriction on Obtaining and Use of Membership List. The Association's membership list, or any part thereof, shall not be disclosed, released, or otherwise provided to any person or used by any person for any purpose unrelated to an Owner's interest as an Owner without the consent of the Executive Board. Further, the Association's membership list, or any part thereof, shall not be:

a. Used to solicit money or property unless such money or property will be used solely to solicit the votes of Owners in an election to be held by the Association;

b. Used for any commercial purpose; or

c. Sold to or purchased by any person.

4. Prohibition on Commercial Use. The Association's records and the information contained within those records shall not be used for commercial purposes.

5. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

a. Attorney-client privileged documents, records and communications, and any other communications with legal counsel that are otherwise protected by the attorney-client privilege or attorney work product doctrine, unless the Executive Board decides to disclose such communications at an open meeting;

b. Any documents that are confidential or otherwise prohibited from disclosure under constitutional, statutory or judicially imposed requirements or by other law;

c. The ballot forms from any secret ballot conducted by the Association, except that the same may, at the sole discretion of the Executive Board, be provided with redaction of information relating to the Owner(s) casting such ballots;

d. Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to, dates of birth and personal bank account information;

e. Architectural drawings, plans, and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;

f. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;

g. Records of an executive session of the Executive Board;

- h. Records concerning individual Units other than those of the requesting Owner;
- i. Any records concerning personnel, salary, or medical records relating to specific individuals; and

k. Personal identification and account information of Owners and residents, including bank account information, telephone numbers, electronic mail addresses, driver's license numbers, and social security numbers. However, the Association may publish to other Owners and residents an Owner's or resident's telephone number, electronic mail address, or both, provided that the Association has received the prior written consent for the disclosure of such information from the subject Owner or resident. A written consent remains valid until the subject Owner or resident withdraws it by providing the Association with a written notice of withdrawal of the consent. If a consent is withdrawn, the Association has no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal. The Association will accept written consents and notices of withdrawal of the consent provided by Owners and residents via electronic mail to the Association, so long as the subject Owner or resident includes in the electronic mail of consent or withdrawal the following statement, or a substantially similar version thereof: "I hereby agree to provide this consent or withdrawal of consent, as applicable, by electronic means in accordance with the Uniform Electronic Transactions Act, Article 71.3 of Title 24, C.R.S."

6. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association as reasonably determined by the Association. The Association may require prepayment of the actual cost of the requested records, and shall reimburse any prepayment exceeding the actual cost. Failure to pay such prepayment of costs shall be valid grounds for denying an Owner copies of such records. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

7. Inspection. The Association reserves the right to have a third party present to observe during any inspection of records by an Owner or the Owner's representative.

8. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

9. Creation of Records. Nothing contained in this Resolution shall be construed to require the Association to create records that do not exist or compile or synthesize records or information in a particular format or order.

**EXHIBIT A TO RECORDS POLICY**

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS  
OF CLUB RESIDENCES OWNERS ASSOCIATION**

I have requested to inspect and/or obtain copies of the following records of Club Residences Owners Association (the "Association") (be as specific as possible in describing records requested): \_\_\_\_\_ . I understand that under the terms of the Colorado Common Interest Ownership Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. To the extent the Association's membership list is released to me, I acknowledge and agree that such information may not be:

- (A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) used for any commercial purpose;
- (C) sold to, otherwise distributed to, or purchased by any person;
- (D) used for any other purpose prohibited by law; or
- (E) used for any purpose not related to the undersigned's interest as a Unit Owner.

In addition, I understand and agree that no Association records may be used for any commercial purpose.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorneys' fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

\_\_\_\_\_  
Owner

Date: \_\_\_\_\_

Address: \_\_\_\_\_

## **POLICY FOR CONDUCT OF MEETINGS**

- I. Member Meetings. Meetings of the Members of the Association shall be called pursuant to the Bylaws of the Association.
  - (a) Notice.
    - (1) In addition to any notice required in the Bylaws, notice of any meeting of the Members shall be posted at the management office at least 10 days prior to each such meeting, or as may otherwise be required by Colorado law.
    - (2) If any Member has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Member meetings to such Member at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.
  - (b) Conduct.
    - (1) All Member meetings shall be governed by the following rules of conduct and order:
      - (A) The President of the Association or designee shall chair all Member meetings.
      - (B) All Members and persons who attend a meeting of the Members will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
      - (C) Anyone wishing to speak must first be recognized by the Chair.
      - (D) Only one person may speak at a time.
      - (E) Each person who speaks shall first state his or her name and Unit number.
      - (F) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.
      - (G) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
      - (H) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
      - (I) Each person shall be given up to a maximum of two minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, in his or her sole discretion, but shall be uniform for all persons addressing the meeting.
      - (J) All actions and/or decisions will require a first and second motion.
      - (K) Once a vote has been taken, there will be no further discussion regarding that topic.

(L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.

(M) No meeting of the Members may be audio, video or otherwise recorded, except by the Board to aid in the preparation of minutes, so as to avoid the discouragement of open discussion and the use of out-of-context statements. Minutes of actions taken shall be kept by the Association.

(N) The Chair may establish such additional or different rules of order as may be necessary from time to time.

(c) Voting. All votes taken at Member meetings shall be taken as follows:

(1) Election of Board members in a contested election may be conducted by secret ballot. Each Member entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain identifying information concerning the ballot holder in order to verify voting accuracy, but such information shall be kept confidential by the Association and not part of the public record of the vote or the meeting. In the event a Member holds a proxy for another Member, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Member shall receive a secret ballot to cast the vote of the Member who provided the proxy. The proxy shall be kept and retained by the Association.

(2) All other votes taken at a meeting of the Members shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law. At the discretion of the Board or upon request of twenty percent (20%) of the Members who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot.

(3) 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.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue, without reference to the names, addresses or other identifying information of Members participating in such vote.

(d) Proxies. Proxies may be given by any Member as allowed by C.R.S. 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (1) Validity of the signature;
- (2) Signatory's authority to sign for the Member;
- (3) Authority of the Member to vote;
- (4) Conflicting proxies; and
- (5) Expiration of the proxy.

2. Board Meetings. Meetings of the Executive Board of the Association shall be called pursuant to the Bylaws of the Association.

(a) Conduct.

(1) All Board meetings shall be governed by the following rules of conduct and order:

- (A) The President of the Association, or designee, shall chair all Board meetings.
- (B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and Unit number.
- (C) All Members will be given an opportunity to speak as to any matter or ask questions of the Board during the Member forum at the end of the meeting, or at such other time as determined by the Chair. Any Member wishing to speak during the Member forum shall so indicate at the time of sign in.
- (D) Anyone desiring to speak shall first be recognized by the Chair. Only one person may speak at a time.
- (E) Each person speaking shall first state his or her name and Unit number.
- (F) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.
- (G) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.
- (H) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
- (I) Each person shall be given up to a maximum of two minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Member forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.
- (J) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.
- (K) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) Member Input. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Members present at such time shall be afforded an opportunity to speak on the motion as follows: The Chair will ask those Members present to indicate by a show of hands who wishes to speak in favor or against the motion, the Chair will then determine for how long each person will be permitted to speak and, following Member input, the Chair will declare Member input closed. There shall be no further Member participation on the motion at hand unless a majority of the Executive Board votes to open the discussion to further Member participation.

## **POLICY FOR DIRECTOR CONFLICTS OF INTEREST**

1. General Duty. The Executive Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the Members and the Association. All Directors shall exercise their power and duties in good faith and in the best interest of the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Bylaws and Articles of Incorporation. As of the date of adoption of this Policy, conflicting interest transactions of directors and officers of the Association are governed by C.R.S. §7-128-501, pursuant to C.R.S. §38-33.3-310.5, and the provisions of this Policy are intended to comply with such statutes.

2. Definition. A "conflicting interest transaction" is defined as a contract, transaction or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest. Declarant-appointed directors shall not be deemed to have a conflict of interest on matters relative to the Declarant such as, but not limited to, the approval of a management agreement or other agreements with Declarant or its affiliate, subject to applicable duties and standards of care required by law.

3. Prohibition on Loans. The Association shall not make any loans to any members of the Executive Board or to any officers of the Association. No member of the Executive Board and no officer of the Association shall assent to or participate in the making of any such loan.

4. Disclosure of Conflicting Interest Transaction. Any conflicting interest transaction on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Executive Board at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may answer questions posed by the Board but shall thereafter recuse himself or herself from further participation and may not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum, and record who voted for and against.

5. Failure to Disclose Conflicting Interest Transaction. No conflicting interest transaction entered into in violation of this policy shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Executive Board that authorizes, approves or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

- a) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Executive Board and the Executive Board in good faith authorized, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or
- b) The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Association entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or
- c) The conflicting interest transaction is fair as to the Association.

6. Periodic Review. The Board shall periodically, as determined in the sole discretion of the Board, review the Association's conflict of interest policies, procedures, and rules and regulations.



## **POLICY FOR DISPUTE RESOLUTION**

The Executive Board of the Association hereby acknowledges the existence of alternative resolution procedures currently binding on the Association, its members and other parties as set forth in Article 18 of the Declaration of Covenants, Conditions, Restrictions and Easements for Club Residences recorded July 30, 2021 under Reception No. 202117289, County of Eagle, Colorado (as amended and supplemented, the “Declaration”) and reaffirms such mandatory procedures as the Dispute Resolution Policy of the Association.

**POLICIES FOR INVESTMENT OF REPLACEMENT RESERVE FUNDS AND  
PERFORMANCE OF RESERVE STUDY**

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' Units and livability in the Community, the Executive Board determines that it is necessary to have policies and procedures for the investment of replacement reserve funds and for the performance of a reserve study.

2. Purpose of the Reserve Fund. The purpose of the replacement reserve fund ("Reserve Fund") shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community for which the Association is responsible. Certain of the portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.

3. Investment of Reserves. The Executive Board of the Association shall deposit funds held as part of the Reserve Fund in bank accounts. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government. No Owner will be deemed to have any direct interest in the Reserve Fund. The Association may borrow from and between its operating account and its Reserve Fund as the Executive Board deems necessary or appropriate.

4. Reserve Study. In order to determine funding of the Reserve Fund, the Executive Board may determine, with the assistance and advice of professionals if so requested by the Executive Board, the life expectancy of those portions of the Community to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study"). Although it shall have no obligation to cause a Reserve Study to be prepared at all, the Executive Board may cause a Reserve Study to be prepared at such time as is determined in the sole discretion of the Executive Board. The Reserve Study shall be based on a physical analysis and financial analysis. Any Reserve Study may be conducted internally by the Association.

5. Funding Plan. In the event a Reserve Study recommends any work, the funding plan for such work shall be as determined by the Board in the exercise of its business judgment and with regard to the recommendations of the Reserve Study. The Reserve Fund is the projected source of funding for any work recommended by the Reserve Study. The Reserve Fund shall be funded through regular assessments and, when necessary, special assessments levied by the Association.

6. Review of Reserve Study. The Executive Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

7. Standard of Conduct. With regard to the investment of the Reserve Fund and the determination and extent of any Reserve Study, the officers and Directors of the Association shall discharge such persons' duties as a Director or officer (a) in good faith, (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and (c) in a manner the Director or officer reasonably believes to be in the best interests of the Association.

## **POLICY FOR ADOPTION AND AMENDMENT OF POLICIES AND RULES**

1. Scope. The Executive Board of the Association may, from time to time, adopt certain Policies, Rules and Regulations (“Association Rules”) as may be necessary to facilitate the efficient operation of the Association, including the administration of the Exterior Maintenance Area and the Common Area, if any, and the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of the Association Rules and to insure that such Association Rules are necessary and properly organized, the Board shall follow the following procedures when adopting any Association Rules.

2. Drafting Procedure. The Board shall consider the following in drafting the Association Rule:

- (a) whether the governing documents or Colorado law grants the Board the authority to adopt such an Association Rule;
- (b) the need for such Association Rule based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and
- (c) the immediate and long-term impact and implications of the Association Rule.

3. Notice and Comment. A copy of the proposed Association Rule shall be provided to all Owners or posted on the Association's website, if any, and Owners shall be allowed a minimum of thirty (30) days to provide comment and/or feedback on the proposed Association Rule. The adoption of every Association Rule shall also be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Association Rule at the Board meeting shall be afforded such opportunity in compliance with Colorado law.

4. Emergency. The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency or urgent nature of such Association Rule.

5. Adoption Procedure. After the period for Owner comment expires, the Board may adopt any Association Rule. Upon adoption of an Association Rule, the Association Rule or notice of such Association Rule (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

6. Owner Cancellation. Owners may cancel changes to the Association Rules approved by the Executive Board or may modify, cancel, limit, create exceptions to, or expand any other Association Rules, upon the affirmative vote of at least a majority of the total votes in the Association at a special meeting of the Owners called for that purpose. If the Executive Board receives a petition, signed by the number of Owners necessary to call a special meeting, for the purpose of voting on any new Rule or changes to the Association Rules proposed by the Executive Board but not yet effective, the proposed changes will be ineffective until after such meeting is held and will be subject to the outcome of such meeting.

7. Restrictions on Association Rule-Making. Except as may be set forth in this Declaration (either initially or by amendment) or in the initial Association Rules, all Association Rules shall comply with the following provisions:

- (a) The rights of Owners to display religious and holiday signs, symbols, and decorations on or inside their Units of the kinds normally displayed in or on similar properties, shall not be abridged except that the Association may adopt time, place and manner restrictions with respect to displays visible from outside the Unit. No rules shall regulate the content of political signs; however, rules may regulate the time, place and manner of posting such signs (including design criteria).
- (b) No rule shall interfere with the Owners freedom to determine the composition of their households, except that the Association shall have the power to limit the total number of occupants permitted in each Unit on the basis of the size and facilities of the Unit and its fair use of the Common Area.
- (c) No Association Rule shall interfere with the activities carried on within the confines of any Unit, except that the Association may prohibit activities not normally associated with property restricted to residential use, activities not otherwise not in compliance with the restrictions of the Declaration activities that create monetary costs for the Association or other Units, or activities that generate excessive noise or traffic, unsightly conditions visible outside the Unit or an unreasonable source of annoyance.
- (d) No Association Rule shall alter the allocation of financial burdens among the various Units or rights to use the Common Area to the detriment of any Owner over that Owner's objection expressed in writing to the Association. Nothing in this provision shall prevent the Association from changing the Common Area available, from adopting generally applicable rules for use of Common Area or from denying use privileges to those who are delinquent in paying Assessments, abuse the Common Area, or violate the Association Documents. This provision does not affect the right to increase the amount of Assessments as provided in the Declaration.
- (e) No Association Rule or action by the Association shall unreasonably impede Declarant's right to develop the Community and market and sell Units.

AND FURTHER **RESOLVED**, that the following provisions are hereby adopted and approved and shall apply to all of the foregoing Policies of the Association:

1. Definitions. Unless otherwise defined in these Resolutions, initially capitalized terms defined in the Declaration shall have the same meaning herein.
2. Supplement to Law. The provisions of these Resolutions shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.
3. Deviations. The Executive Board may deviate from any procedures set forth in these Resolutions if in its sole discretion such deviation is reasonable under the circumstances.

**CERTIFICATION OF ADOPTION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary/Treasurer [insert title] of the Association and,

That the foregoing Resolutions were duly adopted by action of the Executive Board of the Association at its meeting held on July 30, 2021, at which a quorum was present.

Dated: July 30, 2021.

 [signature]

Richard Mee Citcheron [printed name]

Secretary/Treasurer [title]

**CLUB RESIDENCES OWNERS ASSOCIATION  
WRITTEN ACTION BY THE EXECUTIVE BOARD  
WITHOUT MEETING**

The undersigned, being all the directors of the Executive Board of the Club Residences Owners Association, a Colorado nonprofit corporation (the "Association"), hereby approve and adopt the following resolutions pursuant to the Colorado Revised Nonprofit Corporation Act:

**Election of Officers**

RESOLVED, that the following persons are hereby elected to the offices set opposite their respective names, to serve at the pleasure of the Executive Board:

President. ....Rick G. Hermes  
Vice President .....Jeffrey Townsend  
Secretary/Treasurer .....Richard MacCutcheon

**Ratification of Articles of Incorporation**

RESOLVED, that the form, terms and provisions of the Articles of Incorporation of the Association, as filed with the Secretary of State of the State of Colorado on May 19, 2021, be, and the same hereby are, approved and accepted in all respects as the Articles of Incorporation of the Association, and that a true and correct copy of the Articles of Incorporation issued by said Secretary of State of the State of Colorado, be placed in the minute book of the Association as part of the permanent records of the Association.

**Bylaws**

RESOLVED, that the form, terms and provisions of the Bylaws presented to the directors are hereby approved, adopted and accepted in all respects as the Bylaws of the Association, and that a true and correct copy of the Bylaws be placed in the minute book of the Association as part of the permanent records of the Association.

**Payment of Organization Fees**

RESOLVED, that the Association is hereby authorized to pay or cause to be paid all fees and expenses incident to and necessary for the incorporation of the Association.

**Designation of Depositary**

RESOLVED, that the Association is hereby authorized to open appropriate banking accounts with a depository institution selected by the President of the Association; and it is further

RESOLVED, that any officer of the Association is authorized to execute any form of banking resolutions required by such depository institution on behalf of the Association to effectuate the same.

**Adoption of Budget**

RESOLVED, that the budget of the Association attached to this Written Action as Exhibit A be, and it hereby is, approved, ratified and confirmed in all respects by the Executive Board; that the Declarant shall pay all expenses of the Association until such time as the Executive Board shall give

notice to Association Members that levy and collection of budgeted Assessments has commenced, as determined by the Executive Board; and that the foregoing shall not prevent the collection of initial contributions to the Association's working capital fund pursuant to Section 6.11 of the Declaration of Covenants, Conditions, Restrictions and Easements for Anglers Preserve, which contributions shall not be deemed Assessments under the Declaration or applicable Colorado law.

**Adoption of Responsible Governance Policies and Procedures**

RESOLVED, that the form, terms and provisions of the Anglers Preserve Responsible Governance Policies and Procedures presented to the directors are hereby approved, adopted and accepted in all respects as the Responsible Governance Policies and Procedures of the Association, in accordance with Section 209.5 of the Colorado Common Interest Ownership Act, and that a true and correct copy of the Responsible Governance Policies and Procedures be placed in the minute book of the Association as part of the permanent records of the Association.

**Engaged Parties**

RESOLVED, Insurance is to be bound by State Farm Insurance with an annual premium for customary homeowners association policy \$2,000,000/\$1,000,000 coverage, \$5,000 deductible. Coverage includes business liability, business property, medical expense and Directors and Officers insurance.

RESOLVED, bookkeeping, accounting, and community association management service is to be engaged with Marchetti and Weaver LLC in accordance the customary Community Association Management Agreement.

**Ratification and Authorization of Association Activities**

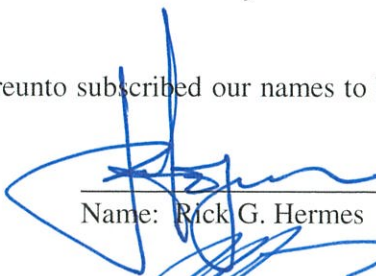
RESOLVED, that all actions taken, all things done and all expenditures made by the officers, directors, employees and agents of the Association, acting for and on behalf of the Association through the date hereof, are hereby ratified, approved and confirmed in all respects.

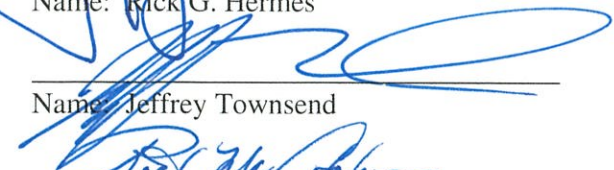
RESOLVED, that the proper officers of the Association are hereby authorized, empowered and directed to do and perform any and all acts and deeds necessary or desirable to carry out the foregoing resolutions.

RESOLVED, that this unanimous written action may be executed in one or more counterparts, all of which together shall be deemed to be one and the same instrument; and it is further

RESOLVED, that the execution and delivery of this written action bearing the signature of a party by facsimile or electronic delivery shall constitute a valid and binding execution and delivery of this consent by such party, and that such facsimile or electronically delivered copies shall constitute enforceable original documents.

IN WITNESS WHEREOF, we have hereunto subscribed our names to be effective as of the 30<sup>th</sup> day July 2021.

  
Name: Rick G. Hermes

  
Name: Jeffrey Townsend

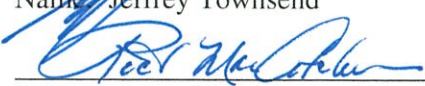
  
Name: Richard MacCutcheon

EXHIBIT A  
TO  
CLUB RESIDENCES OWNERS ASSOCIATION  
WRITTEN ACTION BY EXECUTIVE BOARD  
WITHOUT MEETING

**Budget**

See Attached.



**CLUB RESIDENCES OWNERS ASSOCIATION**

October 5, 2020

**Operating Fund - Annual Budget**

**Draft - Proposed**

Statement of Revenues, Expenses and Changes in Fund Balance  
Budget and Forecast for the Periods Indicated

	<u>Annual Budget</u>	<u>Monthly</u>	<u>Qtrly.</u>
<b>Quantity of Homesites</b>	<b>9</b>		
<b>Revenue</b>			
Operating Fund Annual Assessment per Unit	\$ 6,500		
Replacement Reserve Annl. Funding per Unit	\$ 800		
<b>Total Annual Assessment per Unit</b>	<b>\$ 7,300</b>	\$ 608	\$ 1,825
Operating Assessment	58,500		
Replacement Reserve Assessment	7,200		
Title Co Statement Fees 1 per year	100		
Interest Income	0		
<b>Total Revenue</b>	<b>65,800</b>		
<b>General &amp; Admin Expense</b>			
Accounting - Tax Return Prep	300		
Bank Charges	420		
Insurance	900		
Legal Fees	500		
Title Statement Prep	100		
Management Fees	12,000		
Office Supplies incl. Postage/Delivery	300		
Dues, Registration & Website Host	250		
<b>Total G&amp;A Expense</b>	<b>14,770</b>		
<b>Operations &amp; Maintenance Expense</b>			
General Repairs & Maintenance	1,000		
Landscape, Lawncare & Flower Beds	20,000		
Lights Common & Seasonal	1,000		
Snow Removal	12,000		
Trash Removal	4,500		
Water for Irrigation	4,000		
Contingency	1,330		
<b>Total Operations &amp; Maintenance Expense</b>	<b>43,830</b>		
Xfer Funding of Replacement Reserve	7,200		
<b>Total Expense</b>	<b>65,800</b>		
<b>Revenue Over (Under) Expense</b>	<b>0</b>		
<b>Note: Working Capital fom Closings @ 25% s/b</b>	<b>\$ 14,625</b>		

No assurance is provided on these financial statements, substantially all disclosures required by GAAP omitted.

**CLUB RESIDENCES  
OWNERS ASSOCIATION  
Replacement Reserve  
Long-Range Financial Plan  
Draft - Proposed**

Inflation 3%

Yr:

	Qty.	Unit	Cost Each	2019 Estimate	Cycle	Yr:																	
						1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
<b>Homes Exteriors:</b>																							
Walkways	9	ea.	\$ 2,500	\$ 22,500	11 yrs	-	-	-	-	-	-	-	-	-	-	30,238	-	-	-	-	-	-	
Landscape	1	ea.	\$ 30,000	\$ 50,000	16 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,898	-	
Irrigation System	1	ea.	\$ 20,000	\$ 20,000	13 yrs	-	-	-	-	-	-	-	-	-	-	-	-	28,515	-	-	-	-	
<b>Common Area:</b>																							
Pavement Resurface	1,000	l.f.	\$ 65	\$ 65,000	18 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL</b>				<b>\$ 157,500</b>		-	-	-	-	-	-	-	-	-	-	30,238	-	28,515	-	-	-	77,898	
<b>Fund Balance</b>																							
Beginning Balance						-	9,600	19,488	29,978	40,783	51,912	63,375	75,182	87,343	99,869	112,770	95,821	109,508	95,091	109,612	124,568	62,075	
Regular Funding (see Budget)			\$ 800	per year per home		9,600	9,888	10,490	10,805	11,129	11,463	11,807	12,161	12,526	12,902	13,289	13,687	14,098	14,521	14,956	15,405	15,867	
Expenditures (above)						-	-	-	-	-	-	-	-	-	-	(30,238)	-	(28,515)	-	-	-	(77,898)	-
Interest Earnings @		1%				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Ending Balance</b>						<b>9,600</b>	<b>19,488</b>	<b>29,978</b>	<b>40,783</b>	<b>51,912</b>	<b>63,375</b>	<b>75,182</b>	<b>87,343</b>	<b>99,869</b>	<b>112,770</b>	<b>95,821</b>	<b>109,508</b>	<b>95,091</b>	<b>109,612</b>	<b>124,568</b>	<b>62,075</b>	<b>77,942</b>	

**CLUB RESIDENCES  
OWNERS ASSOCIATION  
Replacement Reserve  
Long-Range Financial Plan  
Draft - Proposed**

October 5, 2020

Inflation 3%

	Qty.	Unit	Cost Each	2019 Estimate	Cycle														Total 30 yr. Infl.
						18	19	20	21	22	23	24	25	26	27	28	29	30	
<b>Homes Exteriors:</b>																			
Walkways	9	ea.	\$ 2,500	\$ 22,500	11 yrs	-	-	-	-	41,857	-	-	-	-	-	-	-	-	72,095
Landscape	1	ea.	\$ 30,000	\$ 50,000	16 yrs	-	-	-	-	-	-	-	-	-	-	-	-	-	77,898
Irrigation System	1	ea.	\$ 20,000	\$ 20,000	13 yrs	-	-	-	-	-	-	-	41,876	-	-	-	-	-	70,391
<b>Common Area:</b>																			
Pavement Resurface	1,000	l.f.	\$ 65	\$ 65,000	18 yrs	107,435	-	-	-	-	-	-	-	-	-	-	-	-	107,435
TOTAL				<u>\$ 157,500</u>		<u>107,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,819</u>
<b>Fund Balance</b>																			
Beginning Balance						77,942	(13,150)	3,684	21,023	38,882	15,420	34,366	53,881	73,981	52,809	74,133	96,097	118,720	-
Regular Funding (see Budget)			\$ 800	per year per home		16,343	16,834	17,339	17,859	18,395	18,946	19,515	20,100	20,703	21,324	21,964	22,623	11,651	458,190
Expenditures (above)						(107,435)	-	-	-	(41,857)	-	-	-	(41,876)	-	-	-	-	(327,819)
Interest Earnings @		1%				-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ending Balance						<u>(13,150)</u>	<u>3,684</u>	<u>21,023</u>	<u>38,882</u>	<u>15,420</u>	<u>34,366</u>	<u>53,881</u>	<u>73,981</u>	<u>52,809</u>	<u>74,133</u>	<u>96,097</u>	<u>118,720</u>	<u>130,371</u>	<u>130,371</u>

**CLUB RESIDENCES OWNERS ASSOCIATION**

**Operating  
Month by Month Budget**

**Statement of Revenues, Expenses and Changes in Fund Balance**

October 5, 2020  
Draft - Proposed

	January	February	March	April	May	June	July	August	September	October	November	December	Total
<b>Revenue</b>													
Operating Assessment, Annually ea. = \$ 6,500	14,625	-	-	14,625	-	-	14,625	-	-	14,625	-	-	58,500
Replacement Reserve Annually ea. = \$ 0	-	-	-	-	-	-	-	-	-	-	-	-	-
Title Co Statement Fees 1 per year	-	-	-	-	-	-	-	-	-	-	-	100	100
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>14,625</b>	<b>-</b>	<b>-</b>	<b>14,625</b>	<b>-</b>	<b>-</b>	<b>14,625</b>	<b>-</b>	<b>-</b>	<b>14,625</b>	<b>-</b>	<b>100</b>	<b>58,600</b>
<b>General &amp; Admin Expense</b>													
Accounting - Tax Return Prep	300	-	-	-	-	-	-	-	-	-	-	-	300
Bank Charges	35	35	35	35	35	35	35	35	35	35	35	35	420
Insurance	75	75	75	75	75	75	75	75	75	75	75	75	900
Legal Fees	42	42	42	42	42	42	42	42	42	42	42	42	500
Title Statement Prep	-	-	-	-	-	-	-	-	-	-	-	100	100
Management Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Office Supplies incl. Postage/Delivery	25	25	25	25	25	25	25	25	25	25	25	25	300
Dues, Registration & Website Host	21	21	21	21	21	21	21	21	21	21	21	21	250
<b>Total G&amp;A Expense</b>	<b>1,498</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,198</b>	<b>1,298</b>	<b>14,770</b>
<b>Operations &amp; Maintenance Expense</b>													
General Repairs & Maintenance	83	83	83	83	83	83	83	83	83	83	83	83	1,000
Landscape, Lawncare & Flower Beds	-	-	-	-	-	3,333	3,333	3,333	3,333	3,333	3,333	-	20,000
Lights Common & Seasonal	42	42	42	42	42	42	42	42	42	42	42	542	1,000
Snow Removal	1,714	1,714	1,714	1,714	1,714	-	-	-	-	-	1,714	1,714	12,000
Trash Removal	375	375	375	375	375	375	375	375	375	375	375	375	4,500
Water for Irrigation	-	-	-	-	-	667	667	667	667	667	667	-	4,000
Contingency	111	111	111	111	111	111	111	111	111	111	111	111	1,330
<b>Total Operations &amp; Maintenance Expense</b>	<b>2,325</b>	<b>2,325</b>	<b>2,325</b>	<b>2,325</b>	<b>2,325</b>	<b>4,611</b>	<b>4,611</b>	<b>4,611</b>	<b>4,611</b>	<b>4,611</b>	<b>6,325</b>	<b>2,825</b>	<b>43,830</b>
Xfer Funding of Replacement Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expense</b>	<b>3,823</b>	<b>3,523</b>	<b>3,523</b>	<b>3,523</b>	<b>3,523</b>	<b>5,808</b>	<b>5,808</b>	<b>5,808</b>	<b>5,808</b>	<b>5,808</b>	<b>7,523</b>	<b>4,123</b>	<b>58,600</b>
<b>Revenue Over (Under) Expense</b>	<b>10,802</b>	<b>(3,523)</b>	<b>(3,523)</b>	<b>11,102</b>	<b>(3,523)</b>	<b>(5,808)</b>	<b>8,817</b>	<b>(5,808)</b>	<b>(5,808)</b>	<b>8,817</b>	<b>(7,523)</b>	<b>(4,023)</b>	<b>-</b>
<b>Operating Fund</b>													
<b>Beginning Operating Fund Balance</b>	0	25,427	21,905	18,382	29,485	25,962	20,154	28,970	23,162	17,354	26,170	18,648	-
Revenue Over (Under) Expense, above	10,802	(3,523)	(3,523)	11,102	(3,523)	(5,808)	8,817	(5,808)	(5,808)	8,817	(7,523)	(4,023)	0
Add: Working Capital from Closings, 25%	14,625	-	-	-	-	-	-	-	-	-	-	-	14,625
<b>Ending Operating Fund Balance</b>	<b>25,427</b>	<b>21,905</b>	<b>18,382</b>	<b>29,485</b>	<b>25,962</b>	<b>20,154</b>	<b>28,970</b>	<b>23,162</b>	<b>17,354</b>	<b>26,170</b>	<b>18,648</b>	<b>14,625</b>	<b>14,625</b>

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## RECORD OF PROCEEDINGS

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### Minutes of the Annual Meeting Of the Members of Club Residences Owners Association September 22, 2021

A member meeting of the Club Residences Owners Association was held at 9:00 a.m. on September 22, 2021, at the Resort Concepts Riverwalk office, 225 Main St, Edwards, Eagle County Colorado with an option to attend via electronic Zoom meeting.

**Attendance** The following members were present and acting:

- Kim Gill, Lot 2
- Boland Jones, Lot 3
- Heidi Troester, Lot 4
- Bruce Johnson, Lot 7

**The following members were present via Proxy:**

- Gordon and Mary Chalmers, Lot 5
- Marisa Tank and David Kochel, Lot 9

**Also in attendance were:**

- Beth Johnston, Marchetti & Weaver LLC, Secretary for the meeting
- Rick Hermes, Resort Concepts
- Jeff Townsend, Resort Concepts
- Rick MacCutcheon, Resorts Concepts

**Call to Order** The annual member meeting of the Club Residences Owners Association was called to order by Ms. Johnston on September 22, 2021 at 9:03 a.m. Ms. Johnston called the roll of the properties represented confirming that 6 out of 9 votes were represented thereby establishing a quorum for the meeting. Notice of meeting was confirmed by attendance of owners at the meeting.

**Election of Executive Board**

Ms. Johnston explained that this is the first meeting of the Association since the developer turnover and three positions on the Executive Board were up for election. The terms of the three elected directors would be staggered based on the number of votes received, so the candidate receiving the most votes would be elected for a 3-year term, and the candidate with the least votes would be elected for a 1-year term. If there was a tie in the number of votes, a random drawing of the tied candidates would be held to determine the terms. Ms. Johnston reported that four candidates nominated themselves for the three open seats and opened the floor for any additional nominations. No other nominations were received and Mr. Boland withdrew his nomination, leaving three candidates for the open positions. Ms. Johnston explained that since there were now only three candidates to fill the open positions, no vote was required and all nominees were elected by acclamation.

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# RECORD OF PROCEEDINGS

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## Club Residences Owners Association **September 22, 2021** Annual Meeting Minutes

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Terms for the three board members were discussed and, by motion duly made and seconded, it was unanimously

**RESOVLED** to elect the Directors to the following terms:

David Kochel 3 year term, expiring in 2024  
Heidi Troester 2-year term, expiring in 2023  
Kim Gill 1-year term, expiring in 2022

Ms. Johnston explained that in future years, one director position for a 3 year term would be up for election each year.

### **Financial Statements & Budgets**

Ms. Johnston gave an overview of the financial statement layout and components. The 2021 budget and forecast and the preliminary 2022 budget were discussed with Ms. Johnston explaining that all 2021 expenses and some expenses for 2022 would be covered by the developer. The Association was expected to take over financially from the developer once all of the homes were constructed which is expected to be at the beginning of the fourth quarter of 2022. General discussion was had on the estimated expenses and the budget which would be updated as proposals were received.

### **Owner Education**

Mr. MacCutcheon explained the state requirement that Associations provide owner education at least once per year and that the education can be any topic relevant to the Association. This year's education topic, presented by Mr. MacCutcheon, was a review of the Association's structure and organizing documents to give owners a general understanding of their Association.

Discussion turned to the recorded Declaration which currently requires the Association to maintain the exterior of and insure all of the units. Mr. MacCutcheon explained that this was an oversight from the original Declaration draft which was for party wall units instead of single family homes. Mr. Stoval, the developer's attorney, recommended that the Association pass an Amendment to the Declaration correcting the exterior maintenance and insurance requirements as well as add a missing common area parcel that is listed on the recorded plat map. The Declaration amendment would require written approval of at least 67% of the owners to pass and redline documents of the suggested changes are being prepared. Once the documents are complete, they would be distributed to owners for review and written consent for approval.

### **Other Business**

Mr. Hermes relayed that the developer was working on an agreement with Cordillera Golf Club to provide non-potable raw water landscaping irrigation water for the Association. The system and agreement are expected to provide substantial

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## RECORD OF PROCEEDINGS

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### Club Residences Owners Association **September 22, 2021** Annual Meeting Minutes

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savings to the Association compared to installing irrigation utilizing the Eagle River Water and Sanitation District water system.

**Adjournment** There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

**RESOLVED** to adjourn the annual members meeting of the Club Residences Owners Association on this 22nd day of September 2021 at 9:45 a.m.

Respectfully submitted,  
*/s/ Beth Johnston*  
Beth Johnston  
Secretary for the Meeting

SUBJECT TO APPROVAL

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# RECORD OF PROCEEDINGS

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## Minutes of Executive Board Meeting Club Residences Owners Association September 22, 2021

A meeting of the Directors of the Club Residences Owners Association was held at 9:45 a.m., September 22, 2021, at Resort Concepts Riverwalk office, 225 Main St, Edwards, Eagle County Colorado with an option to attend via electronic Zoom meeting.

### ATTENDANCE

#### The following Directors were present and acting:

- Heidi Troester – term expires 2023
- Kim Gill – term expires 2022

#### The following Director was absent and excused:

- David Kochel - term expires 2024

#### Also in attendance were:

- Beth Johnston, Marchetti & Weaver LLC, Secretary for the meeting
- Rick Hermes, Resort Concepts
- Jeff Townsend, Resort Concepts
- Rick MacCutcheon, Resorts Concepts

### Call to Order

The meeting of the Executive Board of Club Residences Owners Association was called to order at 9:45 a.m., noting a quorum was present.

### Election of Officers

After discussion of offices, and upon motion duly made and seconded, it was unanimously

#### RESOLVED to elect the following officers:

President – David Kochel  
Secretary/Vice President – Heidi Troester  
Treasurer/Vice President – Kim Gill

### Ratification of Contracts

The Board reviewed the contracts entered into by the Developer Board on behalf of the Association. After discussion and upon motion duly made and seconded, it was unanimously

#### RESOLVED to ratify the following contracts and agreements:

- a. State Farm for Association insurance
- b. Marchetti & Weaver for Management and Accounting
- c. First Bank for operating bank accounts

### Other Business

There was general discussion on bank signers for the bank account and the Board requested that all three Board members be made signers. Ms.



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# RECORD OF PROCEEDINGS

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Club Residences Owners Association Board of Directors Meeting **September 22, 2021**

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Johnston explained that Management had online and inquiry only access and would not be a signer on any Association accounts or be able to move funds out of the bank. The accounts payable, billing and electronic payment option for owners were also briefly discussed although no action was taken since all costs were anticipated to be covered by the developer until mid-2022.

Discussion was had on Association communications. The Board requested that Management send all notices and communications to all owners unless only Board input was required, such as for a vote or direction to Management. The Consent to Emailed Notices was discussed and Ms. Johnston explained that any owner that did not complete and return the form would continue to receive member meeting notices via USPS mail.

**Future Meetings**

The board will set the next meeting in 2022, date to be determined, once construction of the homes is finishing up.

**Adjournment**

There being no further matters for discussion, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,  
*/s/ Beth Johnston*  
Beth Johnston  
Secretary for the Meeting