

Eagle County, CO
Regina O'Brien
Pgs: 20
REC: \$108.00
DOC: \$0.00

201703882
03/07/2017
03:00:48 PM

BYLAWS

OF

**SOLEIL HOMES AT BRUSH CREEK
HOMEOWENRS ASSOCIATION**

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ARTICLE 1 - INTRODUCTION

These are the Bylaws ("Bylaws") of Soleil Homes at Brush Creek Homeowners Association (the "Association") which shall operate under the Colorado Revised Nonprofit Corporation Act, as amended (the "CRNCA") and the Colorado Common Interest Ownership Act, as amended (the "Act"). Terms used herein shall have the meaning set forth in that certain Declaration for Soleil Homes at Brush Creek (and as supplemented or amended from time to time), recorded in the office of the Clerk and Recorder for the County of Eagle, State of Colorado ("Declaration") and in the Act.

ARTICLE 2 - EXECUTIVE BOARD

Section 2.1 Number and Qualification. The affairs of the Common Interest Community and the Association shall be governed by an Executive Board. The initial Executive Board shall consist of one (1) member, whose name and address is set forth below. Only Owners, eligible to vote and otherwise in good standing, may be elected or appointed to fill a vacancy on the Executive Board; provided, however, Declarant shall have the right to appoint members to the Executive Board and to have members remain on the Executive Board as provided in the Declaration and the Act, who may not be Owners. In the case where, through removal or resignation, the total number of Executive Board members is less than three, the Executive Board will be considered properly constituted until such vacancies are filled. Notwithstanding the foregoing, the number of directors may be changed from time to time by a vote of the Executive Board; provided, however that, the number of directors may not be greater than seven (7) nor less than three (3), and the number must be an odd number. There may be fewer than three (3) directors during the Declarant Control period.

(a) The Declaration shall govern appointment of members of the Executive Board during the Declarant Control Period.

(b) Upon termination of the Declarant Control Period, the terms of the members of the Executive Board elected by the Owners shall be staggered so that one (1) member shall be elected to serve a one (1) year term, and the remainder shall be elected to serve two (2) year terms. At the expiration of the initial term of office for each respective member of the Executive Board, his or her successor shall be elected to serve a term of two (2) years.

(c) At any time after Owners, other than the Declarant, are entitled to elect a member of the Executive Board, the Association shall call a meeting and shall give not less than ten (10) nor more than fifty (50) days' notice to the Owners for this purpose. This meeting may be called and the notice given by any Owner if the Association fails to do so.

(d) Each Executive Board member shall hold office until the election and qualification of his or her successor. At any meeting at which one or more members of the Executive Board is to be elected: (1) unless elected by acclamation (i.e., the election is uncontested) the vote shall be by secret ballot, and (ii) the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the

CRNCA for conducting the elections.

Section 2.2 Powers and Duties. The Executive Board may act in all instances on behalf of the Association, except as provided in the Declaration, these Bylaws or the Act. The Executive Board shall have, subject to the limitations contained in the Declaration and the Act, and subject to the reasonably prudent business judgment of each Executive Board member, the powers and duties necessary for the administration of the affairs of the Association and of the Common Interest Community, including the following powers and duties:

(a) Adopt and amend Bylaws, adopt and publish rules, regulations, policies and procedures governing the use of the Units, Lots, the Common Elements, the Project, any property which is visible from any Lot, or any portion thereof, and any facilities thereon and the personal conduct of the Members, their guests and other Persons thereon, and to establish penalties for the infraction thereof.

(b) Adopt and amend budgets for revenues, expenditures and reserves in accordance with the Declaration and Section 2.14 below.

(c) Levy and collect Assessments from Owners.

(d) Levy and collect Special Assessments whenever, in the opinion of the 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. All Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.

(e) Levy and collect Default Assessments for violation of the Governing Documents because the Association has incurred an expense on behalf of an Owner under the Governing Documents.

(f) Levy and collect Special Unit Assessments.

(g) Suspend the Voting Interest allocated to a Unit, and the right of an Owner to cast such vote, or by proxy the vote of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which an Owner is in violation of any other provision of the Governing Documents.

(h) Hire and discharge Managing Agents as provided below.

(i) Hire and discharge employee, independent contractors and agents other than Managing Agents.

(j) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents in the Association's name, on

behalf of the Association or on behalf of two (2) or more Owners in matters affecting the Common Interest Community.

(k) Make contracts and incur liabilities, including borrowing funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration.

(l) Regulate the use, maintenance, repair, replacement and modification of all property within the Community.

(m) Cause additional improvements to be made as a part of the Common Elements.

(n) Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, including but not limited to, Common Elements, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act. The alteration, reconfiguration, or reconstruction of a Limited Common Element shall not constitute a conveyance pursuant to Section 312 of the Act.

(o) Grant easements for any period of time, including permanent easements, and grant leases, licenses, and concessions through or over the Common Elements.

(p) Establish from time to time, and thereafter impose charges for late payment of Assessments or any other sums due and, after notice and hearing, levy a reasonable fine for a violation of the Governing Documents.

(q) Impose a reasonable charge for the preparation and recording of amendments to the Declaration and statements of unpaid Assessments.

(r) Provide for the indemnification of the Association's officers and the Executive Board to the extent provided by law, provide for the indemnification of committee members and other in accordance with these Bylaws to the extent the Board deems just and reasonable, and maintain directors' and officers' liability insurance.

(s) Declare the office of a member of the Executive Board to be vacant in the event such member shall fail to participate in three (3) regular meetings of the Executive Board during any one (1) year period.

(t) Appoint any committee as required or permitted by the Declaration or these Bylaws or as may be deemed appropriate by the Executive Board to carry out its purposes and duties and by resolution, establish committees, permanent and standing, to research, make recommendations or perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee.

(u) By resolution, set forth policies and procedures which shall be

considered incorporated herein by reference as though set forth in full, and which provide for corporate actions and powers which are different than those set forth in the CRNCA but which are permitted by the CRNCA to be "otherwise set forth in the Bylaws." Such resolutions shall be given the same force and effect as if specifically enumerated in these Bylaws.

(v) Exercise any other powers conferred by the Declaration, the Articles of Incorporation, these Bylaws, the Act, or the CRNCA.

(w) Exercise any other power necessary and proper for the governance and operation of the Association.

(x) Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association.

Section 2.3 Managing Agent. The Executive Board may employ a Managing Agent for the Common Interest Community, at such compensation established by the Executive Board, to perform duties and services authorized by the Executive Board; provided, however:

(a) The other Person or managing agent must maintain all funds and accounts of the Association separate from the funds and accounts of other homeowners associations that are managed by such other Person or managing agent, and must keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Association. An annual accounting of the Association funds and a financial statement must be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant;

(b) Licenses, concessions and contracts may be executed by the Managing Agent pursuant to specific resolutions of the Executive Board and to fulfill the requirements of the budget;

(c) If a professional Managing Agent is employed, the management agreement must be for a specified term (not to exceed three (3) years) and must contain specific termination provisions. Such termination provisions may not require the payment of any penalty for termination or require advance notice of termination in excess of ninety (90) days.

Section 2.4 Removal of a Member of the Executive Board Elected by Owners. A member of the Executive Board who has been elected by the Owners may be removed, with or without cause, by a vote of the Owners holding sixty-seven percent (67%) of the Voting Interests in the Community who are present and entitled to vote. Further, removal of a Director who has been elected by the Owners may only be done at a special meeting of the Owners called for this purpose, at which a quorum is present. Voting by mail to remove a Director shall not be allowed.

Section 2.5 Vacancies. Vacancies created by removal of a member of the Executive

Board by the Owners pursuant to Section 2.4 shall be filled by a majority of the Board (at a regular or special meeting) remaining after such vote to remove even though the members of the Executive Board present at such a meeting may constitute less than a quorum; provided, however, if the entire Board is removed at once, an election shall be held immediately thereafter at the same meeting and the Owners shall elect an entirely new Executive Board. Each person elected or appointed to the Executive Board shall serve out the term of the member he or she replaced. Thus, if the entire Board consists of three members, and all are removed, the three persons elected shall serve out the terms of the members of the Executive Board removed. Notwithstanding any provision in this Section 2.5 to the contrary, vacancies of members of the Executive Board who are appointed by the Declarant shall be filled by the Declarant.

Section 2.6 Regular Meetings. The first regular meeting of the Executive Board following each annual meeting of the Owners shall be held within sixty (60) days after the annual meeting at a time and place to be set by the Executive Board at the meeting at which the Executive Board shall have been elected. No notice shall be necessary to the newly elected Executive Board in order to legally constitute such meeting, provided a majority of the Executive Board members are present. The Executive Board may set a schedule of additional regular meetings by resolution, and no further notice to the Board members is necessary to constitute regular meetings. However, the agenda of a regular meeting shall be made reasonably available, in advance of the meeting, to Owners.

Section 2.7 Special Meetings. Special meetings of the Executive Board may be called by the president or by a majority of its members on at least three (3) business days' notice to each member. Additionally, the agenda of a special meeting shall be made reasonably available, in advance of the meeting, to Owners.

Section 2.8 Quorum; Actions of the Executive Board. A quorum at any meeting of the Executive Board is present if directors entitled to cast fifty percent (50%) of the votes on the Executive Board are present. Unless otherwise determined by a vote of the Executive Board as to a particular issue, a majority vote of those present constitutes a valid corporate action. For purposes of this Article 2, the term "present" (i.e., in attendance) shall include attendance in person, by proxy (to the fullest extent provided by the CRNCA), or in any manner provided in Section 2.12 below. Each member of the Executive Board casts one vote.

Section 2.9 Location of Meetings. Meetings of the Executive Board shall be held either: (i) within the State of Colorado unless all members of the Board consent to another location, or (ii) in such a manner as to permit discussions and deliberations via electronic or telephonic means.

Section 2.10 Waiver of Notice. Any member of the Executive Board may waive notice of any meeting in writing. Attendance by a member of the Executive Board at any meeting of the Executive Board shall constitute a waiver of notice. If all the members of the Executive Board are attending a meeting through any means authorized by these Bylaws, no notice shall be required, and any business may be transacted at such meeting.

Section 2.11 Consent to Corporate Action. If a majority of the Executive Board, severally or collectively consent in writing to any action taken or to be taken by the Association (and that number constitutes a quorum), that action shall be a valid corporate action as though it had been authorized at a meeting of the Executive Board. The secretary shall file these consents with the minutes of the meetings of the Executive Board.

Section 2.12 Types of Communication in Lieu of Attendance. Any member of the Executive Board may attend a meeting of the Executive Board by: (i) using an electronic or telephonic communication method whereby the member may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Executive Board; or (ii) by participating in "real time" e-mail communication when all Board members are participating in this form of communication. The vote of such member shall be counted and the presence noted as if that member was present in person on that particular matter.

Section 2.13 Compensation. No member of the Executive Board shall receive any compensation from the Association for acting as such. Any member of the Executive Board may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Executive Board members. Nothing herein shall prohibit the Association from compensating a member of the Executive Board, or any entity with which a member of the Executive Board member is affiliated, for services or supplies furnished to the Association in a capacity other than as a member of the Executive Board pursuant to a contract or agreement with the Association, provided that the interest of such member of the Executive Board was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Executive Board, excluding the interested member of the Executive Board.

Section 2.14 Fiscal and Operational Responsibility. The Board shall adopt a budget which is sufficient to comply with the Declaration, to fund current and anticipated expenses of the Association, and to ensure that repairs, maintenance, replacements and improvements (including capital improvements) are made by reputable companies with expertise in the particular areas. The Board shall also ensure that there are sufficient funds and procedures available to comply with the disclosure, education and other requirements concerning the management and operations of the Association pursuant to the Act, including, but not limited to, the establishment of a web site in order to disseminate information to owners as required by the Act.

Section 2.15 Limitation on Powers. The Executive Board may not act on behalf of the Association to amend the Declaration, to terminate this Community, or to elect directors or determine the qualifications, powers and duties, or terms of office of directors, but the Executive Board may fill vacancies in its membership for the unexpired portion of any term.

ARTICLE 3 - OWNERS

Section 3.1 Meetings of the Owners. The following types of "meetings" (as that term is used in the CRNCA) shall be or may be held, as provided below.

3.1.1 Annual Meetings. Annual meeting of Owners shall be held at least once a year at such date, time and place set forth in the notice. At these meetings, the Executive Board shall be elected by ballot of the Owners, in accordance with the provisions of Article 2 of these Bylaws. The Owners may transact other business as may properly come before them at these meetings.

3.1.2 Special Meetings. Request that a special meeting of the Association be called may be made by the president, by a majority of the members of the Executive Board or by a written instrument signed by Owners comprising twenty percent (20%) of the Total Voting Interests in the Association.

3.1.3 Meeting to Approve Annual Budget. At the annual meeting of the Association or at a special meeting of the Association called for such purpose, the Owners shall be afforded the opportunity to veto a budget of the projected revenues, expenditures and reserves for the Association's next fiscal year as proposed by the Executive Board. A summary of the proposed budget approved by the Executive Board shall be mailed to the Owners within ninety (90) days after its adoption along with a notice of a meeting of the Association to be held not less than ten (10) nor more than fifty (50) days after mailing of the summary to the Owners (or, in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA). Unless eighty percent (80%) of all Owners veto the proposed budget, the budget is ratified. There are no quorum requirements for this meeting. In the event the proposed budget is vetoed, the budget last proposed and not vetoed by the Owners continues until such time as a new budget is presented and not vetoed by a majority of all Owners.

Section 3.2 Place of Meetings. Meetings of the Owners shall be held within Eagle County, Colorado and may be adjourned to a suitable place convenient to the Owners, as may be designated by the Executive Board or the president.

Section 3.3 Notice of Meetings.

(a) Except as otherwise provided in Subsection 3.1.3 above, the secretary shall cause notice of all meetings of the Owners to be hand-delivered, sent via a nationally recognized overnight or express delivery service, or sent prepaid by United States mail, directed to the mailing address of each Unit or to the mailing address designated in writing by the Owner, or sent by electronic transmittal to the address designated in writing by the Owner with a written confirmation of receipt, not less than ten (10) nor more than fifty (50) days in advance of a meeting. The date notice is sent shall be the date received by the recipient unless mailed, then three days after placing the notice in the United States mail. No action shall be taken at a special meeting except as stated in the notice.

(b) To the extent possible, the notice of any meeting shall be given electronically, posted on the Association's web site, and posted in a conspicuous place within the Community (the latter, to the extent that such posting is feasible and practicable). Additionally, all Owners who have provided the Association with their email addresses shall

be provided notice to that address no later than twenty-four (24) hours prior to the time the meeting commences.

(c) The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any changes to the budget, and any proposal to remove a member of the Executive Board.

(d) No action shall be adopted at a special meeting except as stated in the notice.

Section 3.4 Adjournment of Meeting. At any meeting of Owners, a Majority Vote may adjourn the meeting to another time.

Section 3.5 Order of Business. The order of business at all meetings of the Owners shall be as set forth in the written meeting agenda available at the beginning of each meeting.

Section 3.6 Voting.

(a) Each Unit is allocated one vote.

(b) If only one of several Owners of a Unit is present at a meeting of the Association, the Owner or Owners present are entitled to cast the vote allocated to that Unit. If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority of the Owners of that Unit. Majority agreement exists if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit. In the event the Owners fail to so agree, then they will be deemed to have abstained on the matter and the vote cast as an abstention.

(c) The vote of a corporation or limited liability company may be cast by an officer of that corporation or by the Managing Agent of the limited liability company in the absence of express notice of the designation of a specific person by such Owner's governing body, members, Managing Agent, operating agreement or bylaws. The vote of a limited liability limited partnership or a limited partnership may be cast by the general partner (or any general partner if there is more than one general partner in the absence of express notice of the designation of a specific general partnership by such Owner). The vote of a general partnership may be cast by any general partner of the owning partnership in the absence of prior express notice of the designation of a specific person by the owning partnership. The individual presiding at the meeting may require reasonable evidence that a person voting on behalf of an Owner who is a corporation, limited liability company, limited liability limited partnership, limited partnership, general partnership or any other type of entity recognized by Colorado law is qualified to vote.

(d) The Executive Board is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the secretary or other officer or

agent authorized to tabulate the votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner. The Association and its officer or agent and the Executive Board and its members who accept or reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation in good faith and in accordance with the standards of the Act and these Bylaws are not liable in damages for the consequences of the acceptance or rejection.

(e) Upon request of the percentage of Owners specified in the Act, the votes on any matter shall be cast by secret ballot.

(f) The vote allocated to a Unit owned by the Association may not be cast.

Section 3.7 Proxies. The vote allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this section only by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy must be received by the Managing Agent or an officer of the Association no later than 11:59 p.m. on the day before the meeting date. A proxy terminates eleven (11) months after its date, unless it specifies a shorter term. A proxy obtained through fraud or misrepresentation shall be void and of no effect. The Executive Board may establish reasonable policies concerning the form and use of proxies.

Section 3.8 Quorum. Except as otherwise provided in these Bylaws, the Owners present in person or by proxy at any meeting of Owners, representing twenty percent (20%) of the Total Voting Interests in the Association, shall constitute a quorum at that meeting. For purposes of this Article 3, the term "present" shall include attendance in person, by proxy, via telephonic or other electronic means, via "real time" email or, in the case of written ballots, by providing written response on or before the date responses are due as set forth in the written ballot. Only Owners eligible to vote may cast proxies for other Owners and only Owners eligible to vote may be considered "present." If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 3.9 Definitions Concerning Voting. The term "Majority Vote" shall mean a vote equal to more than half of the Voting Interests held by the Owners who are present and shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or the Act. Reference to a "majority of all Owners" in the Declaration, these Bylaws, or the Act shall mean a vote cast by Owners representing more than one-half of the Total Voting Interests allocated to all Units in the Community (including votes cast by written ballot pursuant to Section 3.10 below). The term "Voting Interests" shall be the aggregate of all votes allocated to Units when the Owners are present.

Section 3.10 Voting by Mail. Except as limited by Section 2.4 above, the Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation, or these Bylaws shall be by written ballot. Pursuant to the CRNCA, any action that may be taken at any meeting of Owners may be taken without a meeting if the secretary delivers a written ballot to every member entitled to vote on the matter. "Delivery" to the Owner of the ballot, and the Owner's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in Section 3.3 above, or by email attachment if the address has been provided to the Association.

(a) A written ballot shall: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than the election of members of the Executive Board; (iii) specify the time by which a ballot must be received by the Association in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

(d) A written ballot, once received by the Association, may not be revoked, unless the Owner casting the written ballot thereafter appears at a meeting convened to consider any one or more of the matters on the ballot.

ARTICLE 4 - OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be the president, the vice president, the secretary and the treasurer, all of whom shall be elected by the Executive Board. The Executive Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. Any two offices may be held by the same person, subject to any limitations imposed by law or the governing documents for the Association. The office of vice president may be vacant. All officers must be members of the Executive Board. All members of the Executive Board vote, regardless of the office he or she may hold.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Executive Board at the organizational meeting of each new Executive Board.

Section 4.3 Resignation and Removal of Officers. Upon the affirmative vote of a majority of the Executive Board, any officer may be removed, either with or without cause. A

successor may be elected at any regular meeting of the Executive Board or at any special meeting of the Executive Board called for that purpose. Any officer may resign at any time by giving written notice to the president or secretary.

Section 4.4 President. The president shall be the chief executive officer of the Association. If available, the president shall preside at all meetings of the Owners and of the Executive Board. The president shall have all of the general powers and duties which are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to the power to appoint committees from among the Owners from time to time as the Executive Board may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable. The President shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign or authorize a designated agent to co-sign promissory notes and checks of the Association.

Section 4.5 Vice President. The vice president shall take the place of the president and perform the president's duties whenever the president is absent or unable to act. If neither the president nor the vice president is able to act, the Executive Board shall appoint another of its members to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Executive Board or by the president.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Owners and the Executive Board. The secretary shall have charge of the Association's books and papers as the Executive Board may direct and shall perform all the duties incident to the office of secretary of a nonprofit corporation organized under the laws of the State of Colorado. The secretary may cause to be prepared and may attest to execution by the president of amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

Section 4.7 Treasurer. The treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Executive Board and shall perform all the duties incident to the office of treasurer of a nonprofit corporation organized under the laws of the State of Colorado. The treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Executive Board. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, as the Executive Board decides. Funds may be withdrawn from these reserves for the purposes for which they were

deposited, by check or order, authorized by the treasurer, and executed by two members of the Executive Board, one of whom may be the treasurer.

Section 4.8 Execution of Instruments. Except as provided in Sections 4.4, 4.6, 4.7 and 4.9 of these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other person or persons designated by the Executive Board.

Section 4.9 Statements of Unpaid Assessments. The treasurer, assistant treasurer, a Managing Agent employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid assessments, in accordance with Section 316 of the Act. The amount of the fee for preparing statements of unpaid Assessments and the time of payment shall be established by resolution of the Executive Board. Any unpaid fees may be assessed as a Common Expense Assessment against the Unit for which the certificate or statement is furnished.

ARTICLE 5 - ENFORCEMENT

Section 5.1 Fines for Violation. The Executive Board may adopt resolutions providing for fines or other monetary penalties for the infraction of its Rules or of the Declaration. Fines will be levied after notice thereof and an opportunity to be heard. The Executive Board may levy fines in amounts that it, in its sole discretion, shall determine to be reasonable for each such violation, including those violations which persist after notice and an opportunity for a hearing is given. The Executive Board may, subject to any requirements imposed by law, foreclose the lien against any Lot for which Assessments are not paid within such time as may be determined by the Executive Board from time to time, or bring an action at law against the Owner personally obligated to pay the same.

ARTICLE 6 - INDEMNIFICATION

Section 6.1 Actions Other Than by or in the Right of the Association. The Association shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Executive Board or officer of the Association, who is or was serving at the request of the Association in such capacity, for expenses (including expert witness fees, attorneys' fees and costs), judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as possible, without the need of Owners' approval.

Section 6.2 Actions By or in the Right of the Association. The Association shall indemnify any person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such person is or was a member of the Executive Board or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses if such court deems proper. Such liability shall be satisfied within thirty (30) days after request therefor if there exists adequate operating funds but, if not, the funds shall be raised by a special assessment of the Owners as quickly as practical, without the need of Owners' pre-approval.

Section 6.3 Successful on the Merits. Although the indemnification in Sections 6.1 and 6.2 do not require a final determination of non-culpability, to the extent that a member of the Executive Board, Managing Agent, officer, committee member, employee, fiduciary or agent of the Association (collectively or singularly as context requires, "appropriate person") has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Sections 6.1 or 6.2 of this Article 6, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

Section 6.4 Determination Required. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Sections 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Executive Board or other appropriate person proper in the circumstances because such individual has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Executive Board by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Executive Board so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Executive Board shall provide a copy of its written opinion to the officer or member of the Executive Board member or other appropriate person seeking indemnification.

Section 6.5 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Executive Board, officer or other appropriate person who is a party to a claim or proceeding in advance of final disposition if (1) the appropriate person furnishes to the Association a written affirmation of such person's good faith belief that he or she has met the standard of conduct described in Sections 6.1 or 6.2 of this Article 6; (ii) such appropriate person furnishes to the Association a written agreement, executed personally or on the Executive Board member's or officer's behalf to repay the advance if it is ultimately determined that the Executive Board member or officer did not meet the standard of conduct; and (iii) a determination is made that the facts then known to those who otherwise would make the determination would not preclude indemnification under this Article. The agreement required in this Section 6.5 shall be an unlimited general obligation of the appropriate person of the Association and shall be in form, substance and security (if required by the Board) and upon such conditions (e.g. adequate financial ability to repay) as the Board deems appropriate. Such advances shall bear interest at the periodic prime rate, as published in the Wall Street Journal, plus ten (10) points. If the appropriate person is ultimately determined to be culpable and/or not entitled to indemnification and advances, in such case, all costs of the Association Board members, Managing Agent, officer, project Managing Agent, committee member, employee, fiduciary or agent shall be the cost of the particular appropriate person, plus interest as aforesaid.

Section 6.6 No Limitation of Rights. The indemnification provided by this Article 6 shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Executive Board, or otherwise, nor by any rights which are granted pursuant to the Act and the CRNCA. Upon a vote of the Executive Board, the Association may also indemnify a member appointed by the Executive Board to serve on a committee (when such committee member is not also a member of the Executive Board) upon such terms and conditions as the Executive Board shall deem just and reasonable.

Section 6.7 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Executive Board or an officer of the Association or, in the Board's discretion, a member of a committee against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under provisions of this Article 6.

ARTICLE 7 - RECORDS

Section 7.1 Records and Audits. The Association shall maintain financial records. An audit or review shall be done no less often than every two (2) years, unless otherwise provided for in the Declaration or determined by the Executive Board. Further, an audit shall be done in accordance with the provisions of Section 303(b)(11) of the Act. The cost of any audit or review shall be a Common Expense.

Section 7.2 Examination. All records maintained by the Association or the Managing Agent shall be available for examination and copying by any Owner or by any

of their duly authorized representative, at the expense of the person examining the records, during normal business hours and after reasonable notice in accordance with the CRNCA and the Act.

Section 7.3 Records. The Association shall keep the following records:

(a) An account for each Unit, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit, the amount of each Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;

(b) The current operating budget;

(c) A record of insurance coverage provided for the benefit of Owners and the Association for the immediately preceding three years;

(d) Tax returns for state and federal income taxation for the preceding seven years;

(e) Minutes of proceedings of incorporators, Owners, Executive Board and its committees (including written consents and written ballots), and waivers of notice;

(f) A copy of the most current version of the Articles of Incorporation, Declaration, Bylaws, Rules, and resolutions of the Executive Board, along with their exhibits and schedules;

(g) All written communications to Owners (which communications shall only be made available to the Owner with whom the Association has communicated);

(h) A list of the names and business or home addresses of the current members of the Executive Board and officers;

(i) A copy of the Association's most recent corporate report filed with the secretary of state in accordance with the CRNCA;

(j) A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owners is entitled to vote; and

(k) Such other records the Executive Board shall determine from time to time are necessary or desirable.

ARTICLE 8 - MISCELLANEOUS

Section 8.1 Notices. All notices to the Association or the Executive Board shall be delivered to the office of the Managing Agent, or, if there is no Managing Agent, to the office of

the Association, or to such other address as the Executive Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when deposited into the United States mail, first class postage prepaid, except notices of changes of address, which shall be deemed to have been given when received as evidenced by return receipt, attempt delivery receipt executed by the delivery party, or confirming return fax.

Section 8.2 Fiscal Year. The Executive Board shall establish the fiscal year.

Section 8.3 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of or any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Section 8.4 Office. The principal office of the Association shall be at the office of the Managing Agent or at such other place as the Executive Board may from time to time designate.

Section 8.5 Reserves. As a part of the adoption of the regular annual budget the Executive Board shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the expansion, modification or replacement of, and improvements to, the Common Elements (including personal property) based upon the age, remaining life and the quantity and replacement cost of improvements to the Common Elements.

Section 8.6 Audio and Video Recording Prohibited. Records of all meetings shall be solely by minutes duly approved by the Owners or the Board, as the case may be. Accordingly, both audio and video recording of meetings is prohibited.

Section 8.7 Conflict of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control.

ARTICLE 9 - AMENDMENT TO BYLAWS

Section 9.1 Vote. These Bylaws may be amended by a majority vote of the Executive Board. These Bylaws may also be amended by the Members as long as, prior to any meeting of Members at which an amendment will be voted on: the Association gives notice to each Member entitled to vote on the amendment; such notice states that one of the purposes of the meeting is to consider the amendment; such notice is accompanied by a copy or summary of the amendment; and, at such regular or special meeting of the Members at which a quorum is present in person or by proxy, the votes that are cast in favor of said amendment exceed the votes that are cast against such amendment. In addition, these Bylaws may be amended by a vote of Members by written ballot as provided in these Bylaws.

Section 9.2 Rights of Mortgagees. No amendment of these Bylaws of the Association shall be adopted which would: (1) affect or impair the validity or priority of any Mortgage; or (ii) change the provisions of these Bylaws with respect to First Mortgagees; or (iii) effect any provisions for the benefit of Mortgagees as set forth in the Declaration.

IN WITNESS WHEREOF, the undersigned have executed these Bylaws this 7th day of March, 2017.

EXECUTIVE BOARD

By 
John Purchase

Your transaction is complete

> Download & Print

Your transaction is complete. Please note that your payment is successful when your financial institution renders payment for this transaction. Your receipt identification number is 69611202. Please reference this number in any correspondence regarding your transaction.

Payer Information

JOHN L PURCHASE

Phone: 970.390.9943 ext.

Email:

Account Information

*****3459 Payment type: Visa

Order Summary

Description	Quantity	Total Amount
Colorado.gov Order Total: (includes price of the item(s) below):		\$111.20
Fees and Services	1	

Notes

The following amounts have been charged to your credit card. Your credit card statement will show the following merchant name(s) and amount(s) for this transaction.

Merchant	Amount
Eagle County	\$111.20

The total amount charged to your credit card is \$111.20.