BYLAWS
of
THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION, INC.,
a Colorado Non-Profit Corporation

These are the Bylaws of The Villas at Sunrise Creek Homeowners Association, Inc. (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 the Declaration and in the Act.

ARTICLE I
OFFICES

The principal office of the Association shall be 218 Sherman, Ridgway, CO 81432.

The Executive Board of Directors, in its discretion, may keep and maintain other offices within or without the State of Colorado wherever the business of the Association may require.

ARTICLE II
MEMBERSHIPS

A. Memberships. There shall be one membership in the Association for each of the "Owners" of a "Lot", as those terms are defined in the Declaration of Conditions, Covenants and Restrictions of The Villas at Sunrise Creek, a Common Interest Community, aka Sunrise Creek III, Filing No. 1, Final Plat, Final Plat of Lots 8, 9, 12 and Outlot C of Sunrise Creek II, Filing 3, situated in the NW¼SW¼, Section 35, T. 49N, R. 9W, N.M.P.M., City of Montrose, Montrose County, Colorado, recorded on May 23, 2019, at Reception No. 909300, in the office of the Clerk and Recorder of Montrose County, Colorado (the "Declaration") existing in the Common Interest Community described in said Declaration. While there may be multiple owners of a Lot, each being a member in the Association, in no event shall more than one vote per Lot be cast on any matter in which members of the Association are entitled to vote, the vote for any Lot owned by multiple owners being exercised as determined among such Owners. No person or entity other than an Owner of a Lot may be a member of the Association.

B. Transfer of Membership. A membership in the Association and the share of a membership in the assets of the Association shall not be assigned, encumbered, or transferred in any manner except as an appurtenance to transfer title to the Lot to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Lot as further security for a loan secured by a lien on such Lot. A transfer of membership shall occur automatically upon the transfer of title to the Lot to which the membership pertains, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as the member for all purposes until such time as evidence of a transfer of title, satisfactory to the Association, has been submitted to the secretary.

A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to ownership appurtenant thereto, title to the Lot, as shown in the records of the County Clerk and Recorder of Montrose County, Colorado, shall be determinative.

C. Voting Rights. Where the vote of the Member is required or permitted by the statutes of the State of Colorado, the Declaration, or by the Articles of Incorporation or these Bylaws, Members shall be

entitled to only one vote per Lot in the Common Interest Community.

Where there are co-owners of a Lot (whether by joint tenancy, tenancy in common, or otherwise) any one of such co-owners present or represented by proxy, shall be accepted automatically by the Association as the agent and attorney in fact for other co-owners not present or represented by proxy, for the purpose of casting the vote of that membership. If more than one of the Owners is present, the vote allocated to the Lot may be cast only in accordance with the agreement of a majority of the Owners of that Lot. Majority agreement exists if any one of the Owners casts the vote allocated to the Lot without protest being made promptly to the person presiding over the meeting by another Owner of the Lot. If a majority of Owners of a Lot cannot agree as to the casting of a vote, then the Association may disregard or any attempted vote by a minority Owner. Voting by proxy shall be permitted. Proxies must be executed in writing by the Owner or co-owner or his duly authorized attorney-in-fact, and must be filed with the secretary before the appointed time of each meeting. No proxy shall be valid after eleven months from the date of its execution unless a shorter term is specified in the proxy. The Association may suspend the voting rights of a member for failure to comply with the rules or regulations of the Association or for failure to comply with any other obligations of a Lot Owner under the Declaration. All votes cast for members of the Executive Board shall be by secret ballot, as well as any matter affecting the common interest community if any Unit Owner requests that the matter be by secret ballot. Ballots shall be counted by a neutral third party or Unit Owner who is not a candidate for the Executive Board.

D. Annual Meeting. An annual meeting of the members for the purpose of voting on such matters as properly may come before the meeting shall be held on the third week in March of each year at a convenient location in Montrose County, Colorado, to be selected by the Executive Board of Directors.

E. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors or by written request of three or more of the votes of the outstanding memberships, and shall be held at a convenient location in Montrose County, Colorado, to be selected by the person calling the meeting.

F. Meeting to Approve Annual Budget. At the annual meeting of the Owner/Members or at a special meeting of the Owner/Members called for such purpose, the Owner/Members shall be afforded the opportunity to veto the budget of 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 Owner/Members within ninety (90) days of its adoption along with a notice of meeting of the Association Members to be held not less than ten (10) nor more than fifty (50) days after mailing of the summary to the Members (or in the alternative, together with a ballot and information sufficient to satisfy the provisions of Section 109 of the CRNCA and subparagraph J below). Unless sixty-seven percent (67%) of all Lots entitled to vote 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 ratified by the Members continues until such time as the Members ratify a subsequent budget proposed by the Executive Board as provided below.

G. Notices and Waivers. Notices of annual and special meetings of the members must be given in writing and must state the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notice shall be delivered not less than ten or more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, and shall be given to each such Owner or co-owner of a membership entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to such Owner or co-owner at his address as it appears on the records of the Association, with postage prepaid thereon.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

H. Quorum: Vote Required; Adjournment. The votes represented by person or by proxy for three (3) Lots shall constitute a quorum at any meeting of members. If a quorum exists, the action by a majority of the votes present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting for a period of time not exceeding thirty days. If at the adjourned meeting less than a quorum is present those present shall constitute a quorum, and a majority of the votes cast shall be sufficient to pass all resolutions, or acts.

I. Action of Members without a Meeting. Any action required to be taken or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority (unless a greater percentage is required by these Bylaws, the Articles of Incorporation, the Act or the CRNCA) of all of the Owners of memberships entitled to vote with respect to the subject matter thereof. Each Lot shall be entitled to one vote, and one Owner or co-owner of said Lot shall execute the consent set forth herein above.

J. Voting by Mail. Except as limited by subparagraph H. of Article III, the Executive Board may decide that voting of the Members 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 annual, regular or special meeting of Members 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 Member of the ballot, and the Member's return of the completed ballot shall be made by the same methods available for providing notice to a member set forth in subparagraph G of this Article II above.

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

2. 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 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.

3. 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 a member 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.

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

ARTICLE III
EXECUTIVE BOARD OF DIRECTORS

A. Number; Qualification. The Declaration shall govern the appointment of members of the Executive Board during the period of Declarant Control. The initial Executive Board of Directors shall consist of one (1) member, whose name and address is set forth in the Articles of Incorporation. After the first Lot is sold to a person other than the Declarant, the Executive Board shall consist of three (3) members.

Only Owners, eligible to vote and otherwise in good standing, or officers of any corporate Owner of a Lot, or a partner in any partnership owning a Lot, or trustee of any trust owning a Lot, 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. 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.

B. Term. Upon termination of the period of Declarant Control, the Executive Board shall be elected by the Members at the next annual meeting and the terms of office for the directors shall be staggered so that one (1) director 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 of each respective member of the Executive Board, his successor shall be elected to serve a term of two (2) years.

C. Succession Upon Transfer of Lot or Resignation of Director. Upon the transfer of any Lot by an owner serving on the Executive Board, or the resignation of any owner serving on the Executive Board, the seat occupied by such director shall be deemed vacant, and such vacancy shall be filled forthwith by the remaining members of the Executive Board. Each person so elected or appointed to fill a vacancy shall serve on the Executive Board for the remainder of the term of the director so replaced.

D. Meetings. There shall be a regular meeting of the Executive Board immediately following the annual meeting of the members of the Association, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the president, or, upon written request delivered to the secretary of the Association by any two Directors.

E. Notices and Waiver. The secretary shall give three days notice of special meetings to each Director. Such notice may be given orally, in person or by telephone, or in writing, served on or mailed to each Director. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Executive Board of Directors need be specified in the notice of waiver of such meeting.

Written waiver of notice signed by a Director, whether before or after the time stated therein, shall be the equivalent to the giving of such notice. 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.

F. Quorum; Vote Required; Adjournment. At any meeting of the Executive Board after sale of a Lot by Declarant, two (2) of the number of Directors acting and qualified shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Executive Board, except as otherwise specifically required by law, the Articles of Incorporation, these Bylaws or the Declaration. If a quorum does not exist, a majority of the Directors present may adjourn the meeting for a time not exceeding thirty days. If a quorum is not present at such adjourned meeting, those present shall constitute a quorum, and a vote of a majority shall be sufficient to pass all resolutions or other acts.

G. Action of Directors without a Meeting. Any action required to be taken, or any action which 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 a majority of the Directors entitled to vote with respect to the subject matter thereof.

H. Removal of Executive Board Member. The Members, by a vote of sixty-seven percent (67%) of all persons present and entitled to vote at any meeting of the Members may remove any member of the Executive Board, with or without cause other than one appointed by the Declarant; provided, however (i) notice that removal of one or more Board members must be given in the notice of the meeting, and (ii) the Board members who are subject to removal at such a meeting must be given an opportunity to be heard. Written ballots shall not be used for this meeting. For purposes of this meeting a quorum of fifty percent (50%) of the Members shall be required. Any member of the Executive Board appointed by the Declarant during the period of Declarant control may only be removed by the Declarant. Vacancies created by removal according to this subparagraph H. shall be filled as follows:

1. As to vacancies of Executive Board members whom Members other than Declarant elected, by a majority of the remaining Executive Board; provided, however, if the entire Executive Board is removed at once, an election shall be held immediately thereafter at the same meeting; and,

2. As to vacancies of Executive Board members whom the Declarant has the right to appoint, by the Declarant.

Each person so elected or appointed shall serve on the Executive Board for the remainder of the term of the member so replaced.

I. 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.

ARTICLE IV
OFFICERS

A. General. The officers of the Association shall consist of a president, one or more vice presidents, a secretary and a treasurer or a combined secretary-treasurer. The officers of the Association shall serve at the pleasure of the Executive Board, and the Executive Board may appoint such other officers, agents, factors and employees as it may deem necessary or desirable. Officers may be, but need not be, members of the Association. Any person may hold two or more offices simultaneously, except that the president shall not hold any other office.

B. President. The president shall be the principal executive officer of the Association and, subject to the control of the Executive Board, shall direct, supervise, coordinate and have general control over the affairs of the Association and shall have the powers generally attributable to the chief executive officer of the Association. The president shall preside at all meetings of the members of the Association.

C. Vice President. Vice presidents may act in place of the president in case of this death, absence, inability or failure to act and shall perform such other duties and have such authority as is from time to time delegated by the Executive Board or by the president.

D. Secretary. The secretary shall be the custodian of the records and of the seal of the Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports, and other documents and records of the Association are properly kept and filed; shall keep minutes of the

proceedings of the members and of the Executive Board; shall keep a record of the names and addresses of the Owners and co-owners entitled to vote and, in general, shall perform all duties incident to the office of the secretary and such other duties as may, from time to time, be assigned to him by the Executive Board or by the president.

E. Treasurer. The treasurer shall have charge and custody of and be responsible for all funds and securities of the Association, shall deposit all such funds in the name of the Association in such depositories as shall be designated by the Board of Directors, shall keep correct and complete books and records of account and records of financial transactions and conditions of the Association and shall submit such reports thereof as the Executive Board may, from time to time, require and, in general, shall perform all the duties incident to the office of the treasurer, and such other duties as may from time to time be assigned to him by the Executive Board of Directors or by the president.

F. Compensation. Subject to the restrictions in these By-laws, officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Executive Board. It is, to be specifically understood, however, that appointment of an officer, agent, factor or employee shall not of itself create contractual rights to compensation for services performed as such officer, agent, factor or employee.

ARTICLE V
CONTRACTS, CONVEYANCE, CHECKS AND MISCELLANEOUS

A. Contracts. The Executive Board may authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of the Association, except as otherwise specifically required by the Articles of Incorporation or these Bylaws.

B. Conveyances and Encumbrances. Association property may be conveyed or encumbered by authority of the Executive Board or such other person or persons to whom such authority may be delegated by resolution of the Board. Conveyances or encumbrances shall be by instrument executed by the president or a vice president and the secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

C. Checks. All checks, drafts, notes and others for the payment of money shall be signed by the president or a vice president or the treasurer, or shall be signed by such other officer or officers of the Association as shall be duly authorized by resolution of the Executive Board. Any check, draft, or note in excess of $1,000.00 shall require the express approval of the Executive Board and the signature of at least two (2) officers of the Association.

D. Fiscal Year. The fiscal year of the Association shall be the calendar year.

E. Seal. There shall be no corporate seal.

ARTICLE VI
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION AND THE MEMBERS

A. Annual Assessments. The Executive Board of Directors may fix, levy, and collect assessments in the manner and for the purposes specified in the Declaration, and the members shall pay assessments as therein provided.

B. Other Rights and Obligations. The Executive Board may act in all instances on behalf of the

Association in the performance of all obligations and duties and the exercise all rights and powers of the Association as set forth in the Declaration and the Act. All the relative rights and duties of the Association and the members as therein prescribed shall be binding on said parties to the same extent as if set forth in full in these Bylaws. Without limiting the generality of the foregoing the Executive Board shall have the following duties and powers:

1. Adopt and amend Bylaws, Policies and Rules and Regulations.

2. Adopt and amend budgets for revenues, expenditures and reserves. As part of the adoption of the regular budget the Executive Board shall include an amount which, it its reasonable business judgment, will establish and maintain an adequate reserve fund for the expansion, modification or replacement of improvements to the Common Elements based upon the age, remaining life and the quantity and replacement cost of improvements to the Common Elements.

3. Suspend the voting interests allocated to a Lot, and the right of an Owner to cast such votes, or by proxy the votes of another, during any period in which such Owner is in default in the payment of any Assessment, or, after notice and hearing, during any time in which an Owner is in violation of any other provision of the Governing Documents.

4. Hire and discharge managing agents.

5. Hire and discharge employees, independent contractors and agents other than managing agents.

6. 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 or more Owners in matters affecting the Common Interest Community.

7. Make contracts and incur liabilities.

8. Regulate the use, maintenance, repair, replacement and modification of all property within the Project.

9. Cause additional improvements to be made as a part of the Common Elements.

10. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to Section 312 of the Act.

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

12. Impose and receive, on behalf of the Association, a payment, fee or charge for services provided to Owners and for the use, rental and operation of the Common Elements.

13. 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.

14. Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid Assessments.

15. 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 to the extent the Executive Board deems just and reasonable, and maintain directors' and officers' liability insurance.

16. 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 year period.

17. 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 perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee.

18. 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.

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

20. Exercise any other power necessary and proper for the governance and operation of the Association.

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

C. Tax exempt requirements. If the Association is a tax exempt organization within the meaning of Federal law, the Association shall meet these requirements:

1. the Association is organized and operated to provide for acquisition, construction, management, maintenance and care of the Association's property;

2. a minimum of 60% of the organization's income must come from Members assessments, special assessments or dues;

3. a minimum of 90% of the annual expenditures of the association shall be spent to acquire, construct, manage maintain and care or improve its property;

4. no part of the association's net earnings shall inure to the benefit of any private shareholder or individual; and

5. substantially all of the dwelling units in the Common Interest Community shall be used by individuals for residences.

ARTICLE VII
INDEMNIFICATION

A. 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, 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, against 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 pleas 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 therefore 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, with the need of Owners' approval.

B. 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 of 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 it proper.

C. Successful on the Merits. To the extent that a member of the Executive Board or any manager, officer, project manager, employee, fiduciary or agent of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in subparagraphs A or B of this Article VII, 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.

D. Determination Required. Any indemnification under of subparagraphs A and B of this Article VII (unless ordered by a court) and as distinguished from subparagraph C of this Article VII, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member or the Executive Board or officer is proper in the circumstances because such individual has met the applicable standard of conduct set forth in subparagraphs A and B 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 member entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by written opinion. The Executive Board shall provide a copy of its written opinion to the officer or Executive Board member seeking indemnification upon request.

E. 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 or officer who is a party to a proceeding in advance of final disposition of the proceeding if (i) the member of the Executive Board or officer furnishes to the Association a written affirmation of the Executive Board member's good faith belief that he or she has met the standard of conduct described in subparagraphs A or B of this Article VII; (ii) the Executive Board member or officer furnishes to the Association a written understanding, 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 making the determination would not preclude indemnification under this Article. The undertaking required in this subparagraph E shall be an unlimited general obligation of the Executive Board but need not be accepted by the Executive Board member or officer or may be accepted without reference to financial ability to make repayment.

F. No Limitation of Rights. The indemnification provided by this Article VII shall not be deemed exclusive or 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 or 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.

G. 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 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 un the provisions of this Article VII.

ARTICLE VIII
RECORDS

A. Records and Audits. The Association shall maintain financial records. The cost of any audit or review shall be a Common Expense unless otherwise provided in the Declaration. An audit or review shall be done no less often than every three years, unless otherwise provided for in the Declaration or as determined by the Executive Board.

B. Examination. All records maintained by the Association or the Manager shall be available for examination and copying by any Owner or by any of their duly authorized representatives, 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.

C. Records. The Association shall keep the following records:

1. An account for each Lot, 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 Lot, the amount of each Common Expense Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;
2. The current operating budget;
3. A record of insurance coverage provided for the benefit of Owners and the Association for the immediately preceding three years;
4. Tax returns for state and federal income taxation for the preceding seven years;
5. Minutes of proceedings of incorporators, Owners, Members, Executive Board and its committees (including written consents), and waivers of notice;
6. A copy of the most current versions of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Executive Board, along with their exhibits and schedules;
7. All written communications to Owners (which communications shall only be made available to the Owner with whom the Association has communicated);
8. A list of the names and business or home addresses of the current members of the Executive Board and officers;
9. A copy of the Association's most recent corporate report filed with the Colorado Secretary of State in accordance with the CRNCA; and
10. Such other records as the Executive Board shall determine from time to time are necessary and desirable.

ARTICLE IX
AMENDMENTS

A. Articles of Incorporation. Amendments may be made to the Articles of Incorporation in the manner provided by the laws of the State of Colorado by vote of the membership of the Association at any annual or special meeting of the membership, provided that the notice of such meeting states that such amendment is to be considered.

B. Bylaws. These Bylaws may at any time and from time to time be amended, altered or repealed by the Executive Board of Directors, or by vote of the membership of the Association, at any annual or special meetings provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered.

C. Limitation on Amendments/Conflicts of Documents. No amendment to the Articles of Incorporation or these Bylaws shall be contrary to or inconsistent with any provision of the Declaration. In

case if 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.

ADOPTED AND APPROVED effective 20th day of May, 2019.

President

ATTEST: _____
Secretary