

**Second Amended and Restated Bylaws**  
**Of The**  
**Tamarron Association of Condominiums Owners, Inc.**  
Dated September 9, 2015

**ARTICLE 1**  
**INTRODUCTION**

These are the Bylaws of Tamarron Association of Condominium Owners, Inc. which shall operate under the Colorado Nonprofit Corporation Act, as amended, and applicable provisions of the Colorado Common Interest and Ownership Act, as amended ("Act"). The name of the corporation is Tamarron Association of Condominium Owners, Inc. (hereinafter referred to as the "Association").

These Bylaws have been amended and restated in order to incorporate additional provisions and to remove those Sections of the Bylaws which are now contained within the Association governance policies and procedures. The effect of the adoption of these Bylaws shall be to supersede and replace the Amended and Restated Bylaws dated December 7, 2007, and First Amendment dated April 19, 2012, in their entirety.

Adoption of these Second Amended and Restated Bylaws were approved according to the requisite approval conditions forth in Section 9.1 of the Amended and Restated Bylaws of the Association.

**ARTICLE 2**  
**EXECUTIVE BOARD OF DIRECTORS**

**Section 2.1 Number and Qualification.**

(a) The affairs of the Common Interest Community and the Association shall be governed by a Board of Directors (also referred to herein as the "Executive Board") which shall consist of seven (7) persons, all of whom shall be Owners. The number of members of the Executive Board of Directors may be increased or decreased by these Bylaws; provided, however, the number must be an odd number.

If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Owner shall be eligible to serve as a Director and shall be deemed to be an Owner for the purposes of the preceding sentence. Directors shall be elected by the Owners. At any meeting at which Directors are to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Colorado Nonprofit Corporation Act for conducting the elections.

(b) The terms of each Director's service shall be three (3) years and until his successor is duly elected and qualified or until he/she is removed as otherwise provided in these Bylaws.

(c) No individual Director shall serve more than two consecutive three year terms. In

the event of appointment to fulfill another Executive Board member's terms, any such Executive Board member shall be entitled to fulfill the appointed term plus seek two additional terms. After being off of the Executive Board for one full year, a member may then seek reelection to the Executive Board and serve additional terms subject to the general limitations of this provision.

(d) The Board of Directors shall elect the officers. The Directors and officers shall take office upon election.

(e) At any time Owners are entitled to elect a Director, the Association shall call a meeting and give not less than 10 nor more than 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.

**Section 2.2 Powers and Duties.** The Board of Directors may act in all instances on behalf of the Association, except as provided in the Amended Consolidated Declaration of Condominiums and Covenants, Conditions and Restrictions For the Condominiums At Tamarron (the "Declaration"), these Bylaws or the Act. The Board of Directors shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Tamarron common interest community, including the following powers and duties:

- (a) Adopt and amend Bylaws, Policies and Procedures and Rules and Regulations;
- (b) Adopt and amend budgets for revenues, expenditures and reserves;
- (c) Collect assessments for common expenses and special and default assessments;
- (d) Hire and discharge managing agents;
- (e) Hire and discharge employees, independent contractors and agents other than managing agents;
- (f) Institute, defend or intervene in litigation, mediation, arbitration or administrative proceedings, file liens, or seek injunctive relief for violations of the Association's Declaration, Bylaws or Rules and Regulations in the Association's name, on behalf of the Association or on behalf of an Owner on matters affecting the common interest community;
- (g) Make contracts and incur liabilities;
- (h) Regulate the use, maintenance, repair, replacement and modification of property within the community;
- (i) Cause additional improvements to be made as a part of the common elements;
- (j) 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 §38-33.3-312 of the Act;

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

(l) Impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Elements;

(m) Establish from time to time, and thereafter, impose and receive a reasonable charge for late payment of assessments, recover reasonable attorney's fees and other legal costs for collection of assessments and other action to enforce the power of the Association (regardless of whether or not suit was initiated) and, after notice and hearing, levy a reasonable fine for a violation of the Declaration, Bylaws, and Rules and Regulations of the Association;

(n) Impose a reasonable charge for the preparation and recording of amendments to the Declaration or statements of unpaid assessments;

(o) Provide for the indemnification of the Association's officers and the Board of Directors 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;

(p) By resolution, establish, modify and remove committees of Directors and Owners, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee. All committees shall report their actions to the Board of Directors and make their recommendations to the Board. The Board shall consider such recommendations (but shall not be bound by such recommendations) in determining further course of action.

(q) Suspend the voting interests allocated to a Unit, 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 a hearing, during any time in which an Owner is in violation of any other provision of the Governing Documents;

(r) 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 and such absences are unexcused by the President of the Board.

(s) Exercise any other powers conferred by the Declaration or these Bylaws;

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

(u) Exercise any other power necessary and proper for the governance and operation of the Association, including, by resolution, the adoption of policies and procedures which are required

by the Act and which provide for corporate actions and power which are different than those otherwise set forth in these Bylaws.

**Section 2.3 Manager.** The Board of Directors may employ a Manager for the Common Interest Community, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors may delegate to the Manager only the powers granted to the Board of Directors by these Bylaws under Section 2.2, subdivisions (c), (e), (g) and (h). Licenses, concessions and contracts may be executed by the Manager pursuant to specific resolutions of the Board of Directors and to fulfill the requirements of the budget.

**Section 2.4 Removal of Directors.** The Owners, by a vote of two-thirds of all persons present and entitled to vote, at a special meeting of the Owners at which a quorum is present, may remove any Director of the Board of Directors, with or without cause. Written ballots, pursuant to Section 3.12 shall not be utilized for this meeting. For purposes of this meeting, a quorum of 50% of the Owners entitled to vote shall be present.

**Section 2.5 Vacancies.** Except in the case of removal of a Director by Section 2.4 above, vacancies in the Board of Directors (e.g., vacancies which are the result of death, disability, or resignation during the middle of a Director's term) shall be filled by the vote of the Directors at a special or regular meeting of the Board of Directors held for that purpose no later than 90 days after the occurrence of the vacancy. If there is 180 days or less remaining on the vacated director's term, the Board may elect not to fill the vacancy and, instead, the vacancy will be filled at the annual meeting of members by vote of the members as set forth in Section 2.15. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

**Section 2.6 Regular Meeting.** The first regular meeting of the Board of Directors following each annual meeting of the Owners shall be held within 10 days after the annual meeting at a time and place to be set by the Directors at the meeting at which the Board of Directors shall have been elected. No notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a majority of the Directors are present. The Board of Directors may set a schedule of additional regular meetings by resolution, and no further notice to Directors is necessary to constitute regular meetings. If a schedule of regular meetings is not adopted, the regular meetings of the Board of Directors shall be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice to each Director shall be given by hand-delivery, mail, fax, or email 30 days prior to the meeting date.

**Section 2.7 Special Meetings.** Special meetings of the Board of Directors may be called by the President or by a majority of the Directors on at least three business days' notice to each Director. The notice shall be hand-delivered, mailed, faxed, or emailed and shall state the time, place and purpose of the meeting. Only the item which is the purpose of the Special Meeting shall be acted upon at the Special Meeting.

**Section 2.8 Location of Meetings.** All meetings of the Board of Directors shall be held within La Plata County at a location agreed upon by a majority of the Directors.

**Section 2.9 Waiver of Notice.** Any Director may waive notice of any meeting in writing. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice. If all the Directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

**Section 2.10 Quorum of Directors.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present (in person or via proxy) at a meeting at which a quorum is present shall constitute a decision of the Board of Directors. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 2.11 Consent to Corporate Action.** If all the Directors or all Directors of a committee established for such purposes, as the case may be, severally or collectively consent in writing to any action taken or to be taken by the Association, and the number of the Directors constitutes a quorum, that action shall be a valid corporate action as though it had been authorized at a meeting of the Board of Directors or the committee, as the case may be. The Secretary shall file these consents with the minutes of the meetings of the Board of Directors.

**Section 2.12 Telephone Communication in Lieu of Attendance.** A Director may attend a meeting of the Board of Directors by using a telephonic communication method whereby the Director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board of Directors. The Director's vote shall be counted and the presence noted for quorum purposes as if that Director were present in person on that particular matter. The intent of this paragraph is not to permit a Director to be consistently absent from meetings.

**Section 2.13 Video-conferencing in Lieu of Attendance.** A Director may attend meetings of the Board of Directors by way of video-conferencing so long as at least one director is physically present and assisted by someone competent to operate the system for the purpose of establishing connection of the video-conferencing for viewing by those in attendance at the board meeting in the location described in the notice of meeting. Directors are permitted to participate in board discussion and may vote by way of video-conferencing so long as the director participating can be heard by all directors present at the meeting. In such case, the Director's vote shall be counted and his or her presence noted for quorum purposes as if that Director were present in person on that particular matter. In the event the video-conferencing connection is terminated and cannot be re-established within a reasonable period of time, the director participating via video-conferencing, may re-enter the board meeting via telephone. If the director does not re-enter the meeting, the director will be deemed to have left the meeting. The intent of permitting attendance by video-conference is to allow Directors to attend meetings more conveniently and to save the Association money in Director travel expenses.

**Section 2.14 Compensation.** Members of the Executive Board may receive reasonable compensation from the Association for acting as such so long as the Executive Board compensation is included within the annual budget. Members of the Executive Board may be reimbursed for expenses incurred on behalf of the Association, including travel and time for performance of Executive Board duties. The Executive Board may employ a Director to act in the capacity of manager of the Association and shall determine the salary to be paid for such services.

**Section 2.15 Election of Directors.** The Board of Directors shall be elected by ballot of the Owners at the annual meeting of the Owners according to the voting procedures set forth in Article 3. An Owner shall be entitled to cast one vote per Unit owned for each vacancy to be filled.

**Section 2.16 Nomination of Directors For Inclusion on Ballot.**

- (a) The Board of Directors will annually solicit names of candidates for directorship by way of email and /or regular mail notice to Owners and posting in the lobby of the Lodge. The Board may establish criteria for director candidates. Director candidates must be current on all payments due the Association in order to be placed on the ballot.
- (b) Interested Owners shall contact the Board and provide a resume of their qualifications. All resumes shall be posted on the Association's website or otherwise made available for review by membership.
- (c) Candidates who have provided their names and resumes to the Board at least 60 days prior to the election date may be included on the election ballot provided they meet any established criteria.
- (d) On the day of election, additional names may be included on the ballot by way of a nomination made "from the floor" prior to the call for vote. Owners may vote for nominees "from the floor" as a write-in candidate.

**Section 2.17 Executive Session.**

- (a) The members of the Executive Board or any committee thereof may hold an executive or closed door session and may restrict attendance to Executive Board members and such other persons requested by the Executive Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only matters enumerated in paragraphs (b) of this Section 2.17.
- (b) Matters for discussion by an executive or closed session are limited to:

- (i) Matters pertaining to employees of the association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
  - (ii) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
  - (iii) Investigative proceedings concerning possible or actual criminal misconduct;
  - (iv) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
  - (v) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- (c) Prior to the time the members of the Executive Board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated in paragraphs (b) of this Section 2.17.
- (d) No rule or regulation of the Board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.
- (e) The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

**Section 2.18 Board Proxies.** Pursuant to C.R.S. 7-128-205, a board member may provide another member of the Board with a proxy to vote or otherwise act for that board member with respect to a particular proposal and for the purpose of casting a vote for or against a particular proposal. The proxy shall be in a written form of appointment and shall be signed by the board member making the appointment. The proxy shall authorize the other director to cast the vote that is directed to be cast with respect to that particular proposal which should be described with reasonable specificity. The proxy may be transmitted via hand delivery, electronically or by facsimile to the President of the Board. An appointment of proxy is revocable by the board member (who has created the proxy) in writing or by that board member's attendance at the meeting and voting in person. Nothing in this paragraph is intended to abrogate the Board's authority to cause resignation by a board member under Section 2.2(r) concerning more than three unexcused meeting absences.

**Section 2.19 Work Sessions.** The President of the Executive Board may call for and hold a work session. Work sessions are not Board meetings but rather opportunities for the Board

to examine and discuss Association matters. No actions or votes are taken and no minutes are kept during a work session. Owners may attend work sessions but do not have a right of participation. Work sessions are held at the discretion of the Board and public notice of work sessions will be provided when possible.

### **ARTICLE 3 OWNERS**

**Section 3.1 Annual Meeting.** Annual meetings of Owners shall be held on the second Friday in September of every year at Tamarron, Durango, Colorado, commencing at 10:00 am. Mountain Daylight Time, or at such other date, place and time as set forth in the notice. At these meetings, the Directors shall be elected by ballot of the Owners, in accordance with the provisions of Article 2.15 of the Bylaws. The Owners may transact other business as may properly come before them at these meetings.

**Section 3.2 Special Meetings.** Special meetings of the Association may be called by the President, Vice President or by a majority of the members of the Board of Directors or by written request of Owners comprising at least one third of the votes in the Association. A request by the Owners shall state the purpose of such meeting and the matter proposed to be acted upon at the special meeting. Only the item which is the purpose of the Special Meeting shall be acted upon at the Special Meeting.

**Section 3.3 Place of Meetings.** Meetings of the Owners shall be held at the principal office of the Association or may be adjourned to a suitable place convenient to the Owners in La Plata County, Colorado as may be designated by the Board of Directors or the President.

#### **Section 3.4 Notice of Meetings.**

(a) **Notice of Owner Meetings.** The President, Vice President, Secretary or other officer specified in the Bylaws shall cause notice of meetings of the Owners to be posted on the Association web-site, emailed to those Owners who have provided email addresses and have specifically requested receipt of notice of Owner meetings via email, and hand-delivered or sent prepaid by United States mail to the mailing address of each Unit or to the mailing address designated in writing by the Owner, not less than 10 nor more than 50 days in advance of a meeting. The notice of any meeting of the Owners shall also be physically posted in the glass case in the lobby-front desk area of the Lodge. The notice shall state the time and place of any meeting and the items in the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, and any proposal to remove an officer or member of an Executive Board. No action shall be adopted by the Board at a special meeting except as stated in the notice.

(b) **Notice of Board Meetings.** Notice of board meetings and agendas for meetings of the Executive Board shall be made available for examination by all members of the Association through posting of the meeting notice in in the glass case in the lobby-front desk area of the Lodge and through an electronic posting to the Association's website according to notice requirements in Sections 2.6 and 2.7. The Executive Board will not provide notices of board meetings to Owners,



individually. All meetings of the Executive Board shall be open to attendance by members of the Association.

**Section 3.5 Waiver of Notice.** Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

**Section 3.6 Adjournment of Meeting.** At any meeting of Owners, a majority vote of the Owners who are present at that meeting, either in person or by proxy, may adjourn the meeting to another time.

**Section 3.7 Order of Business.** The order of business at all meetings of the Owners shall be as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting;
- (c) Approval of minutes of preceding meeting;
- (d) Reports;
- (e) Election of inspectors of election (when required);
- (f) Election of Directors of the Board of Directors (when required);
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment.

**Section 3.8 Voting.**

(a) The Owner(s) of each Unit shall have one vote allocated to the Unit(s) owned by them.

(b) If only one of several Owners of a Unit is present at a meeting of the Association, the Owner present is 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 in interest of the Owners of that Unit. There is majority agreement if any one of the Owners casts the Votes allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit.

(c) Votes 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. The original signed proxy (which includes original signatures sent via email or facsimile) must be filed with the Secretary before the call to vote at the meeting in which the proxy is to be used. 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 terminates eleven months after its date, unless it specifies a shorter term.

(d) The vote of a corporation or limited liability company may be cast by any officer of that corporation or manager of the limited liability company in the absence of express notice of the designation of a specific person by the Board of Directors or Bylaws of the owning corporation or company. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The Chairman of the meeting may require reasonable evidence that a person voting on behalf of an Owner who is a corporation, partnership, limited liability company or any other entity recognized by Colorado law, is qualified to vote.

(e) The Association 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 votes, acting in good faith, has 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 who accepts or rejects a vote, consent, waiver, written ballot, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages for the consequences of the acceptance or rejection. Any action of the Association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, proxy appointment revocation under this Section is valid unless a court of competent jurisdiction determines otherwise.

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

(g) All voting on any matter pertaining to the Tamarron common interest community shall be by secret ballot, including election of the Executive Board of Directors. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Executive Board or another person presiding during that portion of the meeting. The volunteers shall not be Executive Board members and, in the case of a contested election for an Executive Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Owners participating in such vote. In the case of the election of Board of Directors, as a matter of privacy to participating candidates, the number of votes for each candidate will not be publicly announced at the Owner's meeting. Candidates may contact the office of the CPA if they desire to know the votes allocated to them.

**Section 3.9 Quorum.** Except as otherwise provided in these Bylaws, a quorum is deemed present throughout any meeting of the Owners, if persons entitled to cast 35% of the votes

in the association are present in person or by proxy. The term “present” shall include attendance in person, by proxy, 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.

**Section 3.10 Majority Vote.** The majority of the votes present in person or by proxy at a meeting at which a quorum shall be present shall be binding upon all Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

**Section 3.11 Voting by Mail.** 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. Any action that may be taken at any annual, regular, or special 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 any of the methods available for providing notice to a member set forth in Section 3.4 above. Certificates designating the person entitled to cast the vote for a Unit may be filed with the Secretary of the Association and such certificates shall be relied upon by the Executive Board until revoked by the Owner. Mail out ballots shall be addressed to the person designated in the certificates. Failure by the Owner to provide a certificate to the Executive Board may provide reasonable grounds for rejection of said Owner’s vote by the Executive Board.

(a) A written ballot shall (i) set forth the 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; (iii) specify the time by which a ballot must be received 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 (i) appears in person at a meeting convened to consider any one or more of the matters on the ballot or (ii) the Owner casts a later ballot which shall be deemed to supersede and replace the earlier ballot but only in the instance where voting by way of secret ballot is not employed.

## **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 Board of Directors. The Board of Directors may appoint an assistant Treasurer, an assistant Secretary and other officers as it finds necessary. All officers must be members of the Board; with the exception of the Secretary and Treasurer who may be non-Board members and non-Owners. Any two offices may be held by the same person, except the offices of President and Secretary. The office of Vice President may be vacant. The Board of Directors may, from time to time, elect such other officers and designate their powers and duties as the Executive Board deems necessary for management of the affairs of the Association.

**Section 4.2 Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors. They shall hold office at the pleasure of the Executive Board of Directors.

**Section 4.3 Removal of Officers.** Upon the affirmative vote of a majority of the Directors, any officer may be removed, either with or without cause. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose.

**Section 4.4 President.** The President shall be the Chief Executive Officer of the Association. The President shall preside at all meetings of the Owners and of the Board of Directors. 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 President may decide is appropriate to assist in the conduct of the affairs of the Association. The President may, with the majority approval of the Board, modify or remove/terminate the committees appointed by him or her. 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 prepare and determine agenda items for all meetings of the Board in his or her discretion.

**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 Board of Directors shall appoint some other Director to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Board of Directors or by the President.

**Section 4.6 Secretary.** The Secretary shall keep the minutes of all meetings of the Owners and the Board of Directors which shall consist of a record of the actions taken and decisions made at the meeting, not a summary of what was said by owners or directors. Meeting minutes and

the content of minutes shall be as approved by the majority vote of the Executive Board. The Secretary shall have charge of the Association's books and papers as the Board of Directors 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 the 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 Board of Directors 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 Board of Directors. 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 Board of Directors 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 Directors, one of whom may be the Treasurer if the Treasurer is also a Director.

**Section 4.8 Agreements, Contracts, Deeds, Checks, etc.** 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 Board of Directors.

**Section 4.9 Statements of Unpaid Assessments.** The Treasurer, assistant Treasurer, a manager 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 assessment. The Association may charge a reasonable fee for preparing statements of unpaid assessments.

**Section 4.10 Compensation.** The compensation of all officers and employees of the Association shall be fixed by the majority vote of the Board of Directors.

## **ARTICLE 5 INDEMNIFICATION**

**Section 5.1 Actions Other Than By or In the Right of 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, mediation, arbitration 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, 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 mediation, arbitration 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 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, without the need of Owners' approval.

**Section 5.2 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.

**Section 5.3 Successful on the Merits.** To the extent that a member of the Executive Board or any manager, officer, committee member, project manager, employee, fiduciary or agent of the Association has been wholly successful on the merits in defense of any action, suit, mediation, arbitration or proceeding referred to in Sections 5.1 or 5.2 of this Article 5, 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 5.4 Determination Required.** Any indemnification under Section 5.1 or 5.2 of this Article 5 (unless ordered by a court) and as distinguished from Section 5.3 of this Article 5, 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 officer is proper in the circumstances because such individual has met the applicable standard of conduct set forth in Section 5.1 or 5.2 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. 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 Executive Board member seeking indemnification upon request.

**Section 5.5 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 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 Section 5.1 or 5.2 of this Article 5; (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 Section 5.5 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.

**Section 5.6 No Limitation of Rights.** The indemnification provided by this Article 5 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 5.7 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 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 5. The premiums on such insurance shall be paid by the Association as a common expense of the Association.

## **ARTICLE 6 RECORDS**

**Section 6.1 Records and Audits.** The Association shall maintain financial records in accordance with generally accepted accounting principles or the cash or tax basis of accounting performed by an independent and qualified person selected by the Board. Such person need not be a certified public accountant except in the case of an audit. Audits shall be required only when the Association has annual revenues or expenditures of at least \$250,000 and an audit is requested by one-third vote of the Owners pursuant to C.R.S. 18-33.3-303(4)(b)(II). The cost of any audit shall

be a common expense of the Association unless otherwise provided.

## **ARTICLE 7 MISCELLANEOUS**

**Section 7.1 Notices.** All notices to the Association or the Executive Board of Directors shall be delivered to the office of the Executive Director, or, if there is no Executive Director, to the office of the Association, or to such other address as the Executive Board of Directors may designate by written notice to all Owners and to all holders of Security Interests in the Units who have notified the Association that they hold a Security Interest in a Unit. Except as otherwise provided in these Bylaws, all notices to any Owner shall be sent to the Owners' address as it appears in the records of the Association or to the name and address of the person as indicated on any Certificate that may have been provided to the Association. All notices to holders of Security Interests in the Units shall be sent, except where a different manner of notice is specified elsewhere in the Documents, by registered or certified mail to their respective addresses, as designated by them in writing to the Association. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

**Section 7.2 Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**Section 7.3 Office.** The principal office of the Association shall be at Tamarron or at such other place as the Executive Board of Directors may from time to time designate.

**Section 7.4 Standard of Care.** In the performance of their duties, the officers and Directors are required to exercise ordinary and reasonable care as set forth in the Standard of Care exhibit A attached hereto and incorporated herein. Likewise, all members of a committee shall also be required to exercise ordinary and reasonable care.

**Section 7.5 Parliamentary Rules.** Robert's Rules of Order (latest edition) may be used as a guide as to the general conduct of the Association meetings when not in conflict with the Declaration, Articles, Policies and Procedures or these Bylaws. All procedural questions which are not otherwise set forth in the Declaration, Articles, Policies and Procedures, Bylaws or required by Colorado law shall be decided by a majority vote of the Board.

**Section 7.6 Conflicts 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 or the Policies and Procedures, the Declaration shall control; in the case of any conflict between the Articles of Incorporation and the Declaration, the Declaration shall control. In the case of any conflict between these Bylaws and a specific item addressed within the Policies and Procedures, the applicable Policy and Procedure shall control.



**ARTICLE 8  
AMENDMENTS TO BYLAWS**

**Section 8.1 Vote.** The Bylaws may be amended only by the affirmative vote of 66 and 2/3rds of the members of the Executive Board of Directors, following notice to all Owners, at any meeting duly called for such purpose. Notice may be given to Owners via hand delivery, email, regular mail or a posting at the building in a visible location and shall include a copy of the proposed amendment. The cost of such distribution shall be accounted for as a common expense of the Association. The notice shall be given not more than 50 days and not less than 10 days before the proposed action is to be taken. The notice shall invite comment to the Board, orally or in writing, no less than 10 days prior to the scheduled time of any meeting at which the amendment or adoption shall occur. The amendment, if adopted at such meeting, shall become effective 60 days after said meeting, unless the Board is presented with a written petition evidencing the signature of 30% of the votes allocated to all Owners in the association in opposition to the amendment.

**Section 8.2 Rights of Mortgagees.** No amendment of the Bylaws of this Association shall be adopted which would affect or impair the validity or priority of any mortgage covering any Unit or which would change the provisions of the Bylaws with respect to institutional mortgagees of record.

**Section 8.3 Compliance with the Law.** To the extent the Association, from time to time, becomes subject to new laws and, in particular, new provisions of the Act, these Bylaws shall be deemed to be automatically amended in order to bring the Association into compliance with those laws.

**ARTICLE 9  
PUBLIC DISCLOSURES**

**Section 9.1 Annual Disclosures.** Within 90 days after the end of each fiscal year thereafter, the Association shall make the following information available to Owners upon reasonable notice in accordance with Section 9.2:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by Unit type, of the Association's current assessments, including both regular and special assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of the most recent financial audit or review;
- (f) A list of all Association insurance policies, including but not limited to, property

general liability, Association Director and officer liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insureds, and expiration dates of the policies listed.

- (g) All Association Bylaws, Articles, and Rules and Regulations;
- (h) The minutes of the Executive Board and Member meetings for the fiscal year immediately preceding the current annual disclosure;
- (i) The Association's responsible governance policies adopted under Section 38-33.3-209.5; and
- (j) the name of the Association; the name of the Association's manager or designated agent, a valid physical address and telephone number for the Association and designated agent or management company, if any; the name of the common interest community; the initial date of recording of the declaration and its reception number.

**Section 9.2. Means for Disclosure.** Disclosure of the above-referenced items shall be accomplished by one of the following means: posting on an internet web page with accompanying notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a common expense liability.

## **ARTICLE 10 FISCAL MANAGEMENT**

**Section 10.1 Adoption of Annual Budget.** The Executive Board, at the time of its regular board meeting held in October, shall create and adopt the annual budget of the projected revenues, expenditures and reserves for the Association's next fiscal year. By no later than December 15<sup>th</sup> of each year, the Executive Board shall mail to the Owners, via regular mail, and post to a website, if available, a summary of the proposed annual budget approved by the Executive Board along with a notice of the next regularly scheduled meeting of the Board of Directors which shall include, as an agenda item, the consideration of the budget by Owners. At such meeting, the Owners shall be afforded the opportunity to veto the annual budget as proposed by the Executive Board and if no less than 67% of the votes held by Owners in the Association reject the proposed budget, the budget shall be deemed ratified. In the event the proposed budget is rejected, the budget last ratified by the Owners continues until such time as the Owners ratify a subsequent budget proposed by the Executive Board as provided above.

**Section 10.2 Limitations on Annual Budget.** The total annual budget (excluding allocations for taxes and utilities) shall not exceed 115% of the annual budget from the previous fiscal year.

**Section 10.3 Annual Assessments.** The Annual Assessments made for common expenses of the Association shall be based upon the estimated cash requirements as the Executive Board shall

from time to time determine to be paid by all of the Owners. Estimated common expenses shall include, but shall not be limited to, the cost of routine maintenance and operation of the common elements, expenses of management and insurance premiums for insurance coverage as deemed desirable or necessary by the Association, landscaping of the general common elements, routine repairs and renovations within the common elements, wages of employees, common water and utility charges for the common elements, legal and accounting fees, management fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, payment of any default remaining from a previous assessment period, and the creation of a reasonable and adequate contingency or other reserve or surplus fund for insurance deductibles and maintenance, repairs and replacement of improvements within the common elements that occur on a period basis but less frequently than annually. Any surplus funds derived from Assessments shall be transferred to the reserve fund or used for Association operations, in the Executive Board's sole discretion. Annual Assessments shall be payable in quarterly installments or otherwise as determined by the Executive Board.

**Section 10.4 Special Assessments.** In addition to the Annual Assessments, the Association may levy in any fiscal year one or more Special Assessments, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of improvements within the common elements, emergency repairs, or for any other expense incurred or to be incurred as provided in the Declaration. This Section 10.4 shall not be construed as an independent source of authority of the Association to incur expense, but shall be construed to prescribe the manner of assessing said expenses as authorized by the Declaration, the Act and these Bylaws. Any amounts assessed pursuant to this Section shall be assessed to Owners according to their proportionate share for common expenses, subject to the right of the Association to assess only against the Owners of affected Units. Any extraordinary maintenance, repair or restoration work on fewer than all of the Units (for example, restoration work on only Units comprising "Pine Cone") shall be borne by the Owners of those affected Units only, and any extraordinary insurance costs incurred as a result of the value of a particular Owner's Unit or the actions of a particular Owner or Owner's Agents shall be borne by that Owner. Notice in writing of the amount of such Special Assessments, the Unit Owners for whom the Special Assessment is to be applied, and the time for payment of the Special Assessments shall be given promptly to the Owners, and no payment shall be due less than ten (10) days after such notice shall have been given or according to the payment schedule if payment by installments is provided by the Board.

**Section 10.5 Fiscal Year.** The Board of Directors shall establish the fiscal year of the Association as ending on December 31<sup>st</sup>.

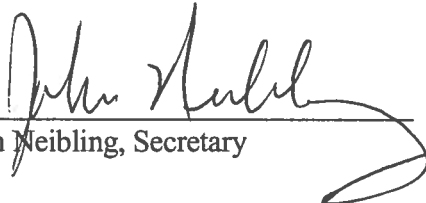
**Section 10.6 Bank Accounts.** The depository of the Association shall be such a bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawals of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors.

**Section 10.7 Reserves.** As a part of the adoption of the regular budget the Board of Directors shall include an amount which, in its reasonable business judgment, will establish and maintain an adequate reserve fund for the replacement of improvements to the common elements and those limited common elements that it is obligated to maintain, based upon the project's age, remaining life and the quantity and replacement cost of major common element improvements as further described in the Association's policy and procedures for reserves.

**Section 10.8 Audit.** The Executive Board has the authority to obtain an annual audit of the accounts of the Association by a certified public accountant. If such an audit is obtained, a copy of the audit report shall be furnished to each member at the annual meeting of Unit Owners of the year following the year for which the audit is made. The expense for the audit shall be paid by the Association as a common expense of the Association.

**Section 10.9 Fidelity Insurance.** Fidelity insurance shall be required by the Board of Directors from all persons handling or responsible for Association funds. The amount of such bonds shall be determined by the Executive Board but shall not be less than \$50,000. The premiums on such bonds shall be paid by the Association as a common expense of the Association.

Certified to be the Bylaws adopted by consent of the Board of Directors of Tamarron Association of Condominium Owners, Inc., on September 9, 2015.

  
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John Neibling, Secretary

**Appendix A**  
**GENERAL STANDARDS OF CONDUCT**  
**FOR DIRECTORS AND OFFICERS**

1) Each Director shall discharge the Director's duties as a Director, including the Director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority:

- 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.

2) In discharging duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- a) One or more officers or employees of the Association whom the Director or officer reasonably believes to be reliable and competent in the matters presented;
- b) Legal counsel, a public accountant, or another person as to matters the Director or officer reasonably believes are within such person's professional or expert competence;
- c) In the case of a Director, a committee of the Board of Directors of which the Director is not a member if the Director reasonably believes the committee merits confidence.

3) A Director or officer is not acting in good faith if the Director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) of this section unwarranted.

4) A Director or officer is not liable as such to the Association or its members for any action taken or omitted to be taken as a Director or officer, as the case may be, if, in connection with such action or omission, the Director or officer performed the duties of the position in compliance with this section.

5) A Director or officer, in the performance of duties in that capacity, shall not have any fiduciary duty to any creditor of the Association arising only from their status as a creditor.

6) No person shall be liable in contract or tort merely by reason of being a Director, officer, or member of the Association, if the Association was suspended, declared defunct, administratively dissolved, or dissolved by operation of law, and the business or activities of the Association continued, with or without knowledge of the suspension, declaration, or dissolution.