

Sun Mountain Condominium Association Bylaws

Amended and Restated
May 27, 2012

Article I Offices

Section 1.1 Business Offices

The name of the Corporation is the Sun Mountain Condominium Association, a Colorado Nonprofit Corporation, organized pursuant to the Colorado Non-Profit Corporation Act, (hereinafter referred to as the "Association"). The principal office of the Association shall be located in Huerfano County, Colorado. The Association may have such other offices, either within or outside Colorado as the Board of Directors may designate, or as the affairs of the Association may require from time to time.

Section 1.2 Registered Offices

The registered office of the Association required by the Colorado Revised Nonprofit Corporation Act to be maintained in Colorado may be, but need not be, the same as the principal office if in Colorado and the address of the registered office may be changed from time to time by the Board of Directors.

Article II. Purpose and Powers

Section 2.1 Purpose

The purpose of the Association is to manage and operate of the Sun Mountain Condominium facilities and related projects.

Section 2.2 Powers

The powers of the Association shall be as stated in its Articles of Incorporation, Exhibits, and Declarations (hereinafter referred to as the "Documents") as amended from time to time and as provided by the laws of Colorado.

Article III. Objectives

Section 3.1 Maintenance of Facilities

It shall be an objective of the Association to provide high quality maintenance of all Sun Mountain Condominiums property.

Section 3.2 Administration of Association

It shall be an objective of the Association to provide high quality administration of all Association business.

Article IV. Membership

Section 4.1 Membership

Association membership is defined in Article V, Section 1 of the Declarations.

Article V. Association Membership

Section 5.1 Annual Meetings

An annual meeting will be held each year for all Members of the Association. The date and time of the meeting will be selected and approved by quorum vote at the prior year's annual meeting.

Section 5.2 Special Meetings

Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote, as defined in Exhibit B Section 2 e. of the Documents.

Section 5.3 Notice of Meetings

Written or electronic notice of each meeting of the Members shall be given in accordance with Exhibit B Section 4 of the Documents.

Section 5.4 Quorum and Voting

The presence at the meeting of Members entitled to cast, or of proxies entitled to be cast, one-tenth (1/10) of the votes of Members shall constitute a quorum for any action except as otherwise provided in the Documents, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. Unless otherwise provided for in these Bylaws or the Documents, action by the Members requires the affirmative vote of a majority of Members voting in person or by proxy at a Member's meeting at which a quorum exists.

Section 5.5 Proxies

At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member. Proxy designation must be in compliance with Exhibit B Section 5 of the Documents.

Section 5.6 Action by Members Without a Meeting

Any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing set forth the actions so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Article VI Board of Managers

Section 6.1 General Powers

The business and affairs of the Association shall be managed by its Board of Directors. All the corporate powers, except such as are otherwise provided for in the Documents, these Bylaws and in the laws of the State of Colorado, shall be and are hereby vested in and shall be exercised by the Board of Directors. The Board of Directors may by general resolution delegate to committees of their own number or to employees of the Association, such powers as it may see fit.

Section 6.2 Restriction of Powers

The general powers granted to the Board of Directors are limited to or restricted only to the extent such approval does not conflict with restrictions or standards imposed upon the Association by the Association Members or State law.

Section 6.3 Number and Tenure of Directors

The affairs of this Association shall be managed by a Board of three (3) Directors. At each annual meeting thereafter the Members shall elect Directors for a term of one (1) year.

Section 6.4 Qualifications

Directors shall be Members in good standing (as defined in the Documents). No voting member of the Board of Directors shall be an employee of the Association, or related by residence, blood or by marriage to any employee of the Association or any member of the Board of Directors.

Section 6.5 Removal of Director

Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death,

resignation or removal of a Director, a successor shall be selected by the remaining Directors of the Board and shall service for the unexpired term of the predecessor.

Section 6.6 Annual Meetings:

An annual meeting will be held each year for the Board of Directors, immediately following the Annual Membership meeting. The date and time of the meeting will be selected and approved by quorum vote at the prior year's annual meeting.

Section 6.7 Special Meetings

Special meetings of the Board of Directors may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to vote, as defined in Exhibit B Section 2 e. of the Documents.

Section 6.8 Notice of Meetings

Written or electronic notice of each meeting shall be given in accordance with Exhibit B Section 4 of the Documents.

Section 6.9 Quorum and Voting

A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. No Director may vote or act by proxy at any meeting of Directors.

Section 6.10 Manner of Acting

Except as may otherwise be provided in these Bylaws, the act of the majority of the Directors present at a meeting, at which a quorum is present, shall be an act of the Board of Directors, unless a larger percentage is required with respect to specific action, as otherwise set forth in these Bylaws or the Documents.

Section 6.11 Action by the Board without a Meeting

Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors, may be taken without a meeting if consent in writing setting forth the actions so taken be signed by all of the Directors entitled to vote with respect to the subject matter thereof.

Section 6.12 Meetings by Telephone or Electronic Means

Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or committee by means of conference telephone or other communications equipment by which all persons participating in the meeting can communicate with each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 6.13 Vacancies

Any Director may resign at any time, by giving written notice to the President or Secretary of the Association. Such resignation shall take effect at the time specified therein and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A successor shall be selected by the remaining members of the Board and shall service for the unexpired term of the predecessor.

Section 6.14 Compensation

Directors shall not receive compensation for their services as such; although the reasonable expenses of Directors for attendance at board meetings and other Association business shall be paid or reimbursed by the Association upon presentation of acceptable documentation and approval of the Board. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Association in any other capacity.

Section 6.15 Presumption of Assent

A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered into the minutes of the meeting or unless the Director files a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Article VII Officers

Section 7.1 Board Officers

The Officers of the Association shall consist of the President, Vice President, Secretary and Treasurer. Three (3) Members shall be elected by the voting members of the Association at the annual meeting for a term of one (1) year. The three elected Members shall vote at the Annual Board of Directors meeting to determine the officer status of each elected Member.

A: **President:** The President shall preside at all meetings of the Board of Directors and the Members; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

B: **Vice-President:** The Vice President shall act in the place and the stead of the president in the event of their absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of them by the Board.

C: **Secretary:** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties incident to the office of the Secretary, or as required by the Board.

D. **Treasurer:** The Treasurer shall keep the financial records and books of account of the Association. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the Members.

Section 7.2 Multiple Offices

The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.3 of these Bylaws.

Section 7.3 Special Appointments

The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time determine.

Section 7.4 Powers

In addition to the powers expressed or implied by the Colorado Revised Nonprofit Corporation Act, and any other powers expressed or implied by the Documents, the Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the use of the Common Area and facilities, the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- b. Suspend the Membership rights of a Member during any period in which such Member shall be delinquent in accordance with Exhibit A Section 5 of the Documents;
- c. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Documents;
- d. Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- e. Employ a manager, managing agent, independent contractor, or such other employees as the Board deems necessary, and prescribe their duties. The Board may delegate to such managers, managing agents, independent contractors, or employees such other powers or duties of the Board as the Board, in its discretion, may decide; provided, however, that the Board when so delegating shall not be relieved of its responsibility under these Bylaws and the Documents. The Board may designate and remove personnel necessary for the operation, maintenance, repair and replacement of the common elements.

Section 7.5 Duties

It shall be the duty of the Board of Directors to:

- A. Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- B. Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- C. Take appropriate action to enforce collection of assessments overdue by thirty (30) days or more, in accordance with methods set forth in these Bylaws or the Documents or otherwise allowed by law;
- D. Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each quarterly assessment period;
- E. Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid in accordance with Exhibit A Section 7 of the Documents
- F. Procure and maintain liability and hazard insurance on property owned by the Association;
- G. Cause all employees having fiscal responsibility to be bonded in such cases and to such extent as the Board may deem appropriate;
- H. Cause the common area to be maintained; and
- I. Undertake other duties expressed or implied in the Documents.

Article VIII Advisory Committees

Section 8.1 Advisory Committees

The Board of Directors shall have the power to establish Advisory Committees, which shall address and make recommendations to the Board regarding long-term issues, which are likely to confront the Association. Each such Advisory Committee shall analyze and make recommendations to the Board of Directors regarding the issues described in the official meeting minutes establishing that particular Advisory Committee. Each Advisory Committee shall elect from among its members a chairperson and such other officers as it may determine would be useful and necessary. Rules of governing procedures for meetings of any advisory Committee shall be established by the Board of Directors, or in the absence thereof, by the Advisory Committee itself.

Article IX Miscellaneous

Section 9.1 Account Books, Minutes, etc.

The Association shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its Board of Directors and committees. All books and records of the Association may be inspected by any Member, or that Member's accredited agent or attorney, for any proper purpose at any reasonable time.

Section 9.2 Assessments

As more fully provided in the Documents, each Member is obligated to pay to the Association annual and special assessments in accordance with Exhibit A – Assessment Collection.

Section 9.3 Fiscal Year

The fiscal year of the Corporation shall begin on January 1 and end on December 31 of each year.

Section 9.4 Conveyances and Encumbrances

Property of the Association may be assigned, conveyed or encumbered by such officers of the Association as may be authorized to do so by the Members and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Association shall be authorized only in the manner prescribed by applicable statute.

Section 9.5 Conflict of Interest

If any person who is a Director of the Association is aware that the Association is about to enter into any business transaction directly or indirectly with a Director of the Association, any member of that person's family, or any entity in which that person has any legal, equitable or fiduciary interest or position, including without limitation, as a director, officer, shareholder, partner, beneficiary or trustee, such person shall (i) immediately inform those charged with approving the transaction on behalf of the Association of such person's interest or position; (ii) aid the persons charged with making the decision by disclosing any material facts within such person's knowledge that bear on the advisability of such transaction from the standpoint of the Association; and (iii) not be entitled to vote on the decision to enter into such transaction.

Section 9.6 Loans to Members and Directors Prohibited

No loans shall be made by the Association to any of its Members or Directors. Any Member or Director who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until it is repaid.

Section 9.7 Amendments

The power to alter, amend or repeal these Bylaws and adopt new Bylaws shall be vested in the Members to be adopted by the affirmative majority vote of all the persons then serving as Members at any duly constituted meeting thereof.

Section 9.8 Precedent

In the case of any conflict between the Articles of Incorporation and Exhibits, and these Bylaws, the Articles and Exhibits shall control; and in the case of any conflict between the Declarations and these Bylaws, the Declarations shall control.

Section 9.8 Severability

The invalidity of any provision of these Bylaws shall not affect the other provisions herein and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

Section 9.9 Gender

Unless the context requires otherwise, the singular includes the plural and any gender includes all genders.

Signature and Approval

Signature of President

Date

Printed Name

Signature of Secretary

Printed Name