

**SECOND AMENDED AND RESTATED BYLAWS
OF
CORDILLERA PROPERTY OWNERS ASSOCIATION, INC.**

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RECITALS

Cordillera Property Owners Association, Inc., a Colorado nonprofit corporation ("Association"), certifies that:

A. The Association desires to amend and restate its Amended and Restated Bylaws currently in effect as follows.

B. The provisions set forth in these Second Amended and Restated Bylaws supersede and replace the existing Amended and Restated Bylaws and any amendments.

C. The Amended and Restated Bylaws of the Association are amended by striking in all articles their entirety, and by substituting the following:

ARTICLE 1. INTRODUCTION AND PURPOSE

The Association is a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

These Second Amended and Restated Bylaws are adopted to regulate and manage the affairs of the Association. The Association's purposes are to: act as the owner's association pursuant to the Amended and Restated Declaration of Protective Covenants, Conditions, and Restrictions for Cordillera, as may be amended from time to time (the "Declaration"); operate and govern the community known as Cordillera; provide for the administration, maintenance, preservation and architectural review of the Units and Common Area within the Cordillera Community; and to preserve the value and desirability of the Community and further the interests of the residents of the Community.

ARTICLE 2. DEFINITIONS

All capitalized terms used in these Amended and Restated Bylaws will have the same meaning as set forth in Second Amended and Restated Declaration of Protective Covenants, Conditions, and Restrictions for Cordillera. As used in these Bylaws, the term "Member" will mean the same as "Owner" as defined in Amended and Restated Declaration of Protective Covenants, Conditions, and Restrictions for Cordillera.

ARTICLE 3. MEMBERSHIP AND VOTING

Section 3.1 **Membership.** Every person who is an Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any Unit. Ownership of the Unit is the sole qualification for membership.

Section 3.2 **Suspension of Member Rights.** Without notice or hearing, during any period in which a Member is in default in the payment of any assessment levied by the Association, the Member's voting rights and the right to use the Association's recreational facilities will be deemed suspended by the Board of Directors. After notice and an opportunity for a hearing, a Member's voting rights to use the Association's Common Area facilities may also be suspended for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater.

Section 3.3 Member Voting.

- (a) The Owner of a Unit is entitled to one equally weighted vote for the Unit.
- (b) Each Member eligible to vote may vote in person or by proxy at all Member meetings.
- (c) If only one of several Owners of a Unit is present at a Member meeting, the Owner present is entitled to cast the vote allocated to the Unit.
- (d) If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement is deemed to exist if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit. If co-Owners disagree or attempt to cast more than one vote, no such votes will be counted.
- (e) In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a partnership may be cast by any general partner of that partnership, the vote of a limited liability company may be cast by any manager of that limited liability company, the vote of a corporation may be cast by any officer of that corporation, and the vote of a trust may be cast by any trustee of that trust.
- (f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a partnership, limited liability company, corporation or trust is qualified to vote.
- (g) Votes allocated to Units owned by the Association may not be cast by the Board of Directors.
- (h) Cumulative voting is prohibited.

Section 3.4 Proxies.

- (a) The vote allocated to a Unit may be cast under a proxy duly executed by an Owner.
- (b) All proxies will be in writing and filed with the secretary or designee of the Association at or prior to the meeting.
- (c) If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of the vote by the other Owners of the Unit through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes will not be counted.
- (d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over the meeting. If an Owner submits more than one proxy, the proxy with the most recent date will control and acts to revoke the prior proxy.
- (e) A proxy is void if it is not dated.
- (f) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Unit for which the proxy was issued.
- (g) A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 3.5 Voting Procedures.

- (a) Votes for contested positions on the Board of Directors will be taken by secret ballot.
- (b) At the discretion of the Board or upon request of 20% of the Owners who are present in person or by proxy at a meeting at which a quorum is present, a vote on any matter affecting the Community on which all Owners are entitled to vote will be by secret ballot.
- (c) A neutral third party or a committee of volunteers will count the ballots. The volunteers will be Owners selected or appointed at an open meeting, in a fair manner, by the president or another person presiding during that portion of the meeting. The volunteers will not be Board members and, in the case of a contested election for a Board position, will not be candidates. The results of a vote taken by secret ballot will be reported without reference to Owners' names, addresses, or other identifying information.
- (d) Voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Board of Directors prior to the meeting or by a majority of the Members present at a meeting; provided, however, if secret balloting is required, the means of voting must protect the secrecy of the ballot.

Section 3.6 Voting by Mail or Electronic Means in Lieu of a Meeting.

- (a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary will mail or deliver written notice to all Members at each Member's address as it appears in the Association's records given for notice purposes. The notice will include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail or electronic means for or against such proposal, (iii) a date at least ten days after the date such notice will have been given, on or before which all votes must be received at the Association's office at the address designated in the notice, and (iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail or electronic means will be acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.
- (b) The Association may conduct elections of directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; provided however, that any procedures adopted will provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Association for a vacant position, subject to the nominated Member's consent, and provided that a system is established to maintain the secrecy of ballots in contested elections as required by the Act.

Section 3.7 Voting in Elections of Directors/Other Voting. In an election of directors, the candidates receiving the largest number of votes will be elected. On all other items, the vote of more than 50% of Members voting at a meeting at which at least a quorum is present will constitute a majority and will be binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation as amended, or by law.

Section 3.8 Counting of Ballots. Ballots will be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board or another person presiding during that portion of the meeting. The volunteers shall not be Board Members and, in the case of a contested election for a Board position, shall not be candidates.

Section 3.9 Voting List/Membership List. The Association will maintain a record of the names of all Owners in a form that permits preparation of a list of the Owners' names and physical

addresses at which the Association communicates with them and the number of votes each Owner is entitled to vote. At all times, the list will be available for inspection and copying in accordance with the Association's records inspection policy.

Section 3.10 **Limitation on Use of Voting List/ Membership List.** Unless the Board of Directors gives its prior consent, the Association's voting lists and membership list or any part thereof may not be: (a) obtained or used by any person for any purpose unrelated to a Member's interest as a Member; (b) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election by the Association; (c) used for any commercial purpose; or (d) sold to or purchased by any person.

Section 3.11 **Transfer of Membership.** Transfer of memberships will be made on the Association's books only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit. Prior to presentation of such evidence, the Association may treat the previous Owner as the Member entitled to all rights connected with a membership, including the rights to vote and to receive notice, without liability.

ARTICLE 4. MEETINGS OF MEMBERS

Section 4.1 **Annual Meetings.** An annual meeting of the Members will be held during each of the Association's fiscal years, at such time, date and place as the Board determines. At these meetings, the directors will be elected by the Members, in accordance with the provisions of the Bylaws. Failure to hold an annual meeting will not affect the validity of any corporate action and will not be considered a forfeiture or dissolution of the Association.

Section 4.2 **Special Meetings.** Special meetings of the Members may be called by the president, by a majority of the members of the Board of Directors or by the secretary upon receipt of a written petition signed by Owners comprising at least 10% of the total votes of the Association. A written petition by the Owners must identify the special meeting purpose on each page of the petition, which must be a purpose for which the Association membership is authorized to act under the Governing Documents. The Board of Directors will determine the form of notice, and the date, time and place of the meeting. If the secretary does not give notice for a special meeting demanded pursuant to a proper petition within 30 days after the date the written demand(s) is delivered to the secretary, the person(s) signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this section will be conducted by the president of the Board, or in his absence, a person chosen by a majority of the Board.

Section 4.3 **Record Date.** The record date for determining Members entitled to notice of any Member meeting will be one day prior to the date of the notice of the meeting, unless the record date is otherwise determined by the Board.

Section 4.4 **Notice of Meetings.** Written notice of each meeting of Members will be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by hand delivery, at least ten days before, but not more than 50 days before the meeting to each Member entitled to vote, addressed to the Member's address last appearing on the Association's books, or supplied by a Member to the Association for the purpose of notice. The notice will also be physically posted in a conspicuous place in the Community, if possible. In addition, if electronic means are available, notice will be sent by e-mail to any Owner who requests such delivery and furnishes the Association with his e-mail address at least 24 hours before the meeting or such longer period as may be required in the Act. The notice will specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No matters will be heard nor action adopted at a special meeting except as stated or allowed in the notice. Notice of an annual meeting need not include a description of the purpose(s) except the purpose(s) will be stated with respect to: (a) an amendment or restatement to the Declaration, Articles of Incorporation or Bylaws of the Association; (b) any proposal to remove an officer or director from office; (c) any budget changes; or (d) any other purpose for which a statement of purpose is required by law or the Governing Documents.

Section 4.5 **Place of Meeting.** Member meetings will be held at the principal office of the Association or at such other place as may be fixed by the Board of Directors and specified in the notice of the meeting.

Section 4.6 **Quorum.** The presence of ten percent of the Members eligible to vote at the beginning of any meeting, in person or by proxy, constitutes a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, and these Bylaws. Once a quorum is established for a meeting, it is conclusively presumed to exist until the meeting is adjourned and will not need to be reestablished. If the required quorum is not present, the Members who are present will have power to adjourn the meeting from time to time to a later date, until such time as a quorum will be present.

Section 4.7 **Adjourned and Reconvened Meetings.** Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at the meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session is required if the original session is adjourned for a period not exceeding ten days.

Section 4.8 **Order of Business.** The Board of Directors may establish the order of business and prescribe reasonable rules for the conduct of all Member meetings. Failure to strictly follow Robert's Rules of Order will not invalidate any action taken at a meeting.

Section 4.9 **Waiver of Notice.** Waiver of notice of a membership meeting will be deemed the equivalent of proper notice. Any Member may waive, in writing, any notice of any membership meeting, either before or after such meeting. A Member's attendance at a meeting, whether in person or represented by proxy, is deemed a waiver by the Member of improper notice of the date, time, and location thereof and of any specific business being conducted at the meeting, unless the Member specifically objects to improper notice at the time the meeting is called to order or the Member objects to improper notice of the specific business before the business is put to a vote.

ARTICLE 5. BOARD OF DIRECTORS

Section 5.1 **Number of Directors.** The Association's affairs are governed by a Board of Directors which will consist of not less than three, five or seven members, elected or appointed as provided below (the "Board"). The exact number of directors may be changed by a duly adopted resolution of the Board of Directors; provided, however, staggered terms of directors will be preserved. There are five directors as of the date these Bylaws are adopted. The Board may only eliminate a director's position at the end of the director's term or if the position is vacant. If as a result of removal or resignation the total number of Board members is less than three, the Board will be considered properly constituted until the vacancies are filled.

Section 5.2 Qualifications of Directors.

(a) Only one Owner per Unit who is eligible to vote, current in payment of assessments, and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board.

(b) If any Unit is owned by a partnership, corporation or trust, not more than one officer, partner or trustee of that entity will be eligible to serve as a director and will be deemed to be a Member for the purposes of these Bylaws.

(c) An Owner may not concurrently serve on the Metropolitan District board and the Association's Board. To be eligible to serve on the Association's Board, an Owner who has served on

the Metropolitan District's board must have ended the Owner's service on the Metropolitan District's board at least one year prior to becoming eligible to serve on the Association's Board.

(d) An Owner may not serve on the Association's Board if the Owner's co-Owner, spouse, cohabitant, tenant or any other resident or person with any interest in the Owner's Unit is concurrently serving on the Association's Board or on the Metropolitan District board.

(e) Any director who is more than 30 days delinquent in payment of any assessment will not be qualified to serve on the Board.

(f) Any director who has unexcused absences from three Board meetings in any consecutive 12 month period will not be qualified to serve on the Board. An absence will be excused if the absent Board member notifies the president of the planned absence and the reason for the absence at least three days before the meeting, and a majority of the remaining Board members approve the absence as being for a valid purpose.

(g) Any director who is in violation of any provision of the Association's Governing Documents for more than 30 days will not be qualified to serve on the Board.

(h) Any director who maintains an adversarial proceeding of any type against the Association will not be qualified to serve on the Board.

(i) If a director is not qualified to serve on the Board, the director's position will be deemed vacant.

Section 5.3 **Nomination and Election Procedure.** Directors will be elected by mail ballot as provided in Article 3, Section 3.6 of these Bylaws. Ballots may be mailed or hand delivered prior to the start of the annual meeting. Ballots will be counted during the annual meeting and if feasible, results will be announced at the annual meeting or if not feasible, will be posted on the Association's website.

(a) **Call for Nominations.** At least 60 days prior to each annual meeting of the Owners, the secretary will provide notice to all Owners of a call for nominations for candidates desiring to run for the position of director. Such notice shall state that any Owner may nominate himself or herself as a candidate for the position of director and that such nomination must be received no later than 45 days prior to the annual meeting of the Owners. Such notice shall be provided to the Owners by any means deemed effective by the Board to convey such notice to the Owners including, but not limited to, mail, e-mail, and/or posting a call for such nominations on the Association's website.

(b) **Submission of Nominees and Candidate Biographies.** Any Owner desiring to nominate himself or herself as a candidate for the position of director must submit his or her nomination and a biography to the secretary in any written form (e-mail, mail, facsimile transmission, etc.) no later than 45 days prior to the annual meeting of the Owners. The biography will be included with voting documents provided to Owners. Biographies received after the deadline will not be accepted.

(c) **Order of Ballot.** After the nomination deadline, but no later than 30 days before the annual meeting, the order of candidates on the ballot shall be determined by lot drawing conducted by the Association's legal counsel. Biographies of the candidates shall be provided to Owners in the order that their name appears

Section 5.4 **Term of Office.** The term of office of directors will be three years or until a successor is elected. At the expiration of a director's term, if a successor cannot be elected for any reason, the existing director will continue to hold office and begin serving another term until his or her successor is elected to fill the remainder of such new term, or he or she resigns. Directors may be

elected to serve no more than two consecutive terms and must have been off the Board for at least one year prior to being eligible to again serve on the Board.

Section 5.5 Resignation. Any director may resign at any time by giving written notice to the president, to the secretary or to the Board of Directors stating the effective date of the resignation. Acceptance of a resignation will not be necessary to make the resignation effective.

Section 5.6 Removal of Directors.

(a) One or more directors or the entire Board of Directors may be removed at a special Member meeting called pursuant to these Bylaws, with or without cause, by a vote of at least 67% of the Members present and entitled to vote at a duly called meeting. Notice of any Member meeting to remove directors will state that the purpose of the meeting, or a portion of that meeting, is to remove one or more directors. Notice will be provided to every Member, including the directors sought to be removed, as provided in these Bylaws. Directors sought to be removed will have the right to be present at this meeting and will be given the opportunity to speak to the Members prior to a vote to remove being taken.

(b) In the event of removal of one or more directors, a successor will be elected by the Members at the meeting to serve for the unexpired term of his or her predecessor.

Section 5.7 Vacancies. Vacancies on the Board caused by any reason (other than removal) may be filled by appointment by a majority vote of the remaining Board at any time after the occurrence of the vacancy, even though the directors present at that meeting may constitute less than a quorum. Each person so appointed will be a director who will serve until the next annual meeting of the

Association at which meeting the Members will elect a successor to fill the remainder of the unexpired term.

Section 5.8 Compensation. No director will receive compensation for any service he may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties.

ARTICLE 6. MEETINGS OF THE BOARD OF DIRECTORS

Section 6.1 Location of Meetings and Open Meetings. All Board meetings will be open to attendance by Members or their designated representatives, except executive sessions as provided by Colorado law and outlined in Section 6.2 below. All Board meetings will be held at the Association's principal office, or at such other location, within or convenient to the Community as may be fixed by the Board of Directors. Meetings may also be held by conference call or electronic means, if necessary.

Section 6.2 Executive Session Meetings. The members of the 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 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 the following matters:

(a) Matters pertaining to employees of the Association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(b) 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;

- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- (f) Review of or discussion relating to any written or oral communication from legal counsel.

Section 6.3 Regular Meetings. Regular Board meetings will be held at such times, place and hour as may be fixed by the Board, provided that at least one Board meeting each quarter of the fiscal year is held. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary to constitute regular meetings. Agendas for Board meetings will be made reasonably available for examination by all Members or their representatives.

Section 6.4 Special Meetings. Special Board meetings will be held when called by the president or by any two directors. If a notice for a special meeting demanded by two or more directors is not given by the Board within 30 days after the date the written demand(s) is delivered to the Board, the directors signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Only those matters contained in the notice of the special meeting may be discussed, unless all directors are present at the meeting and agree to waive the notice requirement for such other matters. Agendas for special Board meetings will be made reasonably available as provided above.

Section 6.5 Annual Meetings. An annual meeting of the Board may be held, without notice, immediately following and in the same place as the annual meeting of the Members, or at such other date and place as the directors may determine. The purpose of this annual meeting is to elect officers and for the transaction of such other business as may come before the meeting.

Section 6.6 Notice of Board Meetings. Except as provided above, written notice of each Board meeting will be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of the notice, postage prepaid, at least four days before the meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, hand delivery, telephone, facsimile, and e-mail delivery, to each Board member, addressed to the Board member's address last appearing on the Association's books, or supplied by a Board member for the purpose of notice. Notices given by hand delivery, telephone, e-mail or facsimile will be delivered at least 24 hours before the time set for the meeting. The notice will specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6.7 Waiver of Notice. A waiver of notice of any Board meeting, signed by a director, whether before or after the meeting, will be the equivalent to the giving of notice of the meeting to the director. A director's attendance at a meeting constitutes waiver of notice of the meeting except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 6.8 Quorum; Voting. A majority of the directors in office immediately before the meeting begins constitutes a quorum for the transaction of business, unless there are fewer than three directors, in which case all directors must be present to constitute a quorum. One or more directors who participate by means of telephone or electronic communication will be deemed present for establishing a quorum, if all persons so participating can hear each other. A quorum of the directors must be present when a vote is taken. The votes of a majority of the directors present at a meeting at which a quorum is present will constitute a Board decision unless there are fewer than three directors, in which case,

unanimity of the directors is required to constitute a Board decision. If at any meeting there will be less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.9 **Director Proxies.** To determine a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy will specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote will not be counted for the purpose of having a quorum present or as a vote on the particular issue before the Board.

Section 6.10 **Action without a Meeting.** The directors have the right to take any action in the absence of a meeting, which they could otherwise have taken at a meeting if a notice stating the action to be taken and the time by which a director must respond is transmitted in writing to each director and each director, by the time stated in the notice:

- (a) votes in writing for such action; or
- (b) votes in writing against such action, abstains in writing from voting; or
- (c) fails to respond or vote and fails to demand that action not be taken without a meeting.

The action will be authorized if the number of directors voting in favor of the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. An abstention is not a vote in favor or against an action. Any action taken under this section has the same effect as though taken at a Board meeting. All signed written instruments necessary for any action taken pursuant to this section will be filed with the minutes of the Board meetings.

ARTICLE 7. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.1 **Powers and Duties.** The Board may act in all instances on the Association's behalf, except as provided in the Declaration, these Bylaws or the Act. The Board has, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the Association's affairs, and for the operation and maintenance of the Community as a first class residential community, including the following powers and duties:

- (a) exercise any other powers conferred by the Governing Documents;
- (b) adopt and amend rules and regulations, including penalties for infraction thereof;
- (c) adopt and amend budgets subject to any requirements of the Declaration and the Bylaws;
- (d) keep and maintain full and accurate books and records showing all of the Association's receipts, expenses, or disbursements;
- (e) collect assessments as provided by the Governing Documents;
- (f) employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;
- (g) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents, and, in the Association's name, on behalf of the Association or two or more Owners, on matters affecting the Community;

- (h) make contracts, administer financial accounts and incur liabilities in the Association's name;
- (i) acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real estate, pursuant to the consent requirements set forth in the Governing Documents, if any;
- (j) grant easements, leases, licenses, concessions through or over the Common Area;
- (k) borrow funds and secure loans with an interest in future assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing the indebtedness as the Board of Directors may deem necessary and give security therefor, subject to the requirements set forth in the Declaration;
- (l) provide for the indemnification of the Association's directors and any person serving without compensation at the Association's request, and maintain association professional liability insurance;
- (m) supervise all persons acting on the Association's behalf of and/or at the Association's discretion;
- (n) procure and maintain liability and hazard insurance as set forth in the Governing Documents;
- (o) cause all persons having fiscal responsibilities for the Association's assets to be insured and/or bonded, as it may deem appropriate;
- (p) appoint committees as deemed appropriate or as required in the Declaration. Committees will have authority to act only to the extent designated in the Governing Documents or delegated by the Board; and
- (q) exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents or the Act.

Section 7.2 **Responsible Governance Policies.** To the extent procedures are not already set in these Bylaws or the Declaration, the Board of Directors will adopt policies, procedures and rules and regulations concerning:

- (a) collection of unpaid assessments;
- (b) handling of conflicts of interest involving Board members;
- (c) conduct of meetings;
- (d) enforcement of covenants and rules, including notice and hearing procedures and a fine schedule;
- (e) inspection and copying of Association records by Owners;
- (f) investment of reserve funds;

- rules;
- (g) procedures for the adoption and amendment of policies, procedures, and
- Owners;
- (h) procedures for addressing disputes arising between the Association and
- (i) obtaining reserve studies and funding reserves; and
- (j) any other policies or procedures required by law or adopted by the Board.

Section 7.3 **Managing Agent.** The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. No remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise. Anything of value received by the managing agent shall benefit the Association. Any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board. Regardless of any delegation to a managing agent, the directors will not be relieved of responsibilities under the Governing Documents or Colorado law.

ARTICLE 8. OFFICERS AND DUTIES

Section 8.1 **Designation and Qualification.** The Association's officers consist of a president, one or more vice-presidents, a secretary, a treasurer and any other officers and assistant officers the Board deems necessary. The president and vice president must be directors. Except for the offices of secretary and treasurer, which may be held by the same person, no person may hold more than one office simultaneously.

Section 8.2 **Election and Terms of Office.** The Board will elect the officers for one year terms at the first Board meeting following the annual Member meeting. Each officer will serve until a successor is elected, the Board of Directors removes the officer, or the officer resigns.

Section 8.3 **Resignation and Removal of Officers.** A majority of the directors may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. A resignation will take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a resignation will not be necessary to make it effective.

Section 8.4 **Vacancies.** A vacancy in any office may be filled by appointment by majority vote of the Board. Unless earlier removed, the officer appointed to the vacancy will serve for the remainder of the term of the officer he or she replaces.

Section 8.5 **Duties of Officers.** The duties of the officers are as follows:

(a) **President.** The president will be the chief executive officer and will have all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation including, but not limited to the following: preside at all Board and Member meetings; see that Board decisions and resolutions are carried out; sign all contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the Association's day-to-day affairs.

(b) **Vice President.** The vice president will take the place of the president and perform the president's duties whenever the president is absent or unable to act and will perform other duties imposed by the Board of Directors. If neither the president nor the vice president is able to act, the Board of Directors will appoint another director to act in the place of the president on an interim basis.

(c) **Secretary.** The secretary will record the votes and maintain the minutes of all Board and Member meetings; serve notice of Board and Member meetings; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties incident to the office of secretary or as required by the Board.

(d) **Treasurer.** The treasurer will be responsible for the receipt, deposit and disbursement of Association funds and securities and for maintenance of full and accurate financial records; will prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer will perform all duties incident to the office of treasurer and such other duties as may be assigned by the Board of Directors.

(e) The duties of any officer may be delegated to the managing agent or another Board member; provided, however, the officer will not be relieved of any responsibility under this section or under Colorado law.

(f) All agreements, contracts, deeds, leases, checks and other instruments of the Association must be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board.

ARTICLE 9. ASSOCIATION DOCUMENTS AND RECORDS

Section 9.1 Records and the Right to Inspect Records. The Association or its managing agent, if any, will keep and maintain records as required by Colorado law. The Association's records will be subject to inspection and copying by any Member, at the Member's expense, in accordance with Colorado law and the Association's responsible governance policy regarding inspection and copying of records. The policy may require advance notice of inspection, specify hours and days of the week during which inspection will be permitted, establish a reasonable maximum time limit for any inspection session, and establish reasonable fees for copies.

Section 9.2 Disclosure of Records.

(a) The Association will provide written notice to all Members of a change in the Association's address, designated agent, or managing agent within 90 days of the change.

(b) The Association will make the following information available to Members within 90 days of the end of the fiscal year:

- (i) the date on which the fiscal year begins;
- (ii) the operating budget for the current fiscal year;
- (iii) a list, by Unit type, of the current regular and special assessments;
- (iv) the annual financial statements, including any amounts held in reserve for the prior fiscal year;
- (v) the results of the most recent available financial audit;
- (vi) a list of the Association's insurance policies, including the insurer's name, policy limits, policy deductibles, additional named insureds, and expiration dates for each policy;
- (vii) the Association's Bylaws, Articles of Incorporation, and rules and regulations;
- (viii) minutes of Board and Member meetings for the prior fiscal year; and

(ix) the Association's responsible governance policies.

This information may be posted on a website, kept in a binder or file at the Association's principal place of business, mailed to Members, or personally delivered to Members. The Association will send notice of the availability of such information to each Member within 90 days of the end of the fiscal year. If the information is posted on a website, the Association will send notice to the Members of the web address by first class mail or e-mail.

Section 9.3 **Minutes.** Minutes or any similar record of Board and Member meetings, when signed by the secretary or acting secretary of the meeting, will be presumed to truthfully evidence the matters set forth in the minutes. A recitation in the minutes that notice of the meeting was properly given will be prima facie evidence that the notice was given.

ARTICLE 10. COMMITTEES

Committees are authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee will operate in accordance with the terms of the resolution of the Board designating the committee or with rules the Board adopts. Any person appointed to preside over any such committee must meet the same qualifications as are required for any person elected or appointed to the Board of the Association.

ARTICLE 11. AMENDMENT

Section 11.1 **Amendment.** These Bylaws may be amended as follows:

(a) **By the Owners.** The Bylaws may be amended by an affirmative vote of a majority of Members present, in person or by proxy, at a regular or special Member meeting at which a quorum is present or by mail ballot as provided for in these Bylaws. If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority to so consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

(b) **By the Board.** These Bylaws may be amended by the Board at any regular meeting of the Board or at any special meeting called for the purpose of amending these Bylaws for which a quorum is present. The Board shall not be permitted to amend any provision which previously was amended by a vote of the Owners. Additionally, the Board of Directors does not have the authority to adopt any amendment to these Bylaws that would: have the effect of electing members of the Board or determining the qualifications, powers and duties, or terms of office of Board members (but the Board may fill vacancies in its membership for the unexpired portion of any term in accordance with the terms of Article 5, Section 5.7 of these Bylaws); or changes a lesser or greater quorum requirement or a greater voting requirement. The Board may also not amend the Bylaws if any other provision of the Colorado Revised Nonprofit Act or the Colorado Common Interest Ownership Act reserves such amendments to the Members.

ARTICLE 12. MISCELLANEOUS

Section 12.1 **Standard of Conduct for Directors and Officers.** Each director and officer will perform his duties as a director or officer in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. In the performance of his duties, a director or officer will be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case 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, professional property manager, public accountant, or other persons as to

matters which the director or officer reasonably believes to be within such person's professional or expert competence; or (c) a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence. The business judgment rule will apply to decisions made by the directors and officers.

A director or officer will not be considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer will not be liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs his duties in compliance with this section. A director or officer, regardless of title, will not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association.

The Board of Directors will have the power and authority to adopt additional reasonable standards or rules of conduct for directors and officers which do not conflict with this section.

Section 12.2 Electronic Communications.

(a) **Records and Signatures.** Whenever the Governing Documents require that a document, record or instrument be "written" or "in writing," the requirement is deemed satisfied by an electronic record if the Board of Directors has affirmatively published regulations permitting an electronic record or document as a substitute for a written item.

Whenever these Bylaws require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (i) the Board of Directors has affirmatively published regulations permitting an electronic signature as a substitute for a written signature; and (ii) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (iii) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(b) **Verification and Liability for Falsification.** The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board's sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association will be liable to any Owner or any other person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature will fully indemnify the Association for actual damages, reasonable attorney fees actually incurred and expenses incurred as a result of such acts.

Section 12.3 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association. In the absence of a resolution, the fiscal year will be the calendar year.

Section 12.4 Notices. All notices to the Association or the Board will be delivered to the office of the managing agent, or, if there is no managing agent, to the Association's office, or to such other address as the Board may designate, including email address, by written notice to all Owners. Except as otherwise provided in these Bylaws regarding meeting notices, all notices to any Owner will be mailed to the Owner's address as it appears in the Association's records or emailed if email address is provided by the Owner. All notices will be deemed to have been given when mailed or transmitted, except notices of changes of address, which will be deemed to have been given when received.

Section 12.5 **Conflicts.** In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration will control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation will control.

Section 12.6 **Severability.** The invalidity of any provision or provisions of these Bylaws will not be deemed to impair or affect in any manner the validity, enforceability of effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws will continue in full force and effect as if such invalid provision had not been included in these Bylaws.

Section 12.7 **Waiver.** No restriction, condition, obligation or provision contained in these Bylaws will 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 12.8 **Interpretation.** The provisions of these Bylaws will be liberally construed to effect the purpose of ensuring that the Community will at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Member.

[Signature on following page]

CERTIFICATION

By signature below, the secretary of the Board of Directors certifies these Second Amended and Restated Bylaws received the vote of a majority of the Owners of the Association present and voting in person or by proxy at a duly called meeting or by mail ballot.

This 29th day of June, 2016.

CORDILLERA PROPERTY OWNERS ASSOCIATION, INC.,
a Colorado Nonprofit Corporation

By: Lois O Bruce
Secretary