

**SECOND AMENDED AND RESTATED BYLAWS OF THE
HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.**

Effective November __, 2023

**SECOND AMENDED AND RESTATED BYLAWS OF THE
HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC.**

Effective November ___, 2023

I. GENERAL.

1.1 **Purpose of Bylaws.** These Bylaws are adopted for the regulation and management of the affairs of the Highlands Ranch Community Association, Inc. (“Community Association”). The Community Association has been organized as a Colorado corporation under the Colorado Nonprofit Corporation Act to be and constitute the Community Association under the Community Declaration for Highlands Ranch (“Community Declaration”). The Community Declaration has been executed by Mission Viejo Company (“Declarant”). The Community Declaration relates to real property in Douglas County, Colorado which becomes annexed and subject to the Community Declaration (“Community Association Area”).

1.2 **Terms Defined in Declaration.** Terms used in these Bylaws which are defined in the Community Declaration shall have the same meaning and definition as in the Community Declaration.

1.3 **Laws and Instruments.** These Bylaws are controlled by and shall always be consistent with the provisions of the Colorado Nonprofit Corporation Act, the Community Declaration and the Articles of Incorporation of the Community Association filed with the Secretary of State of Colorado, as any of the foregoing may be amended from time to time.

II. OFFICES.

2.1 **Principal Office.** The Board of Directors, in its discretion, may fix and may change, from time to time, the location of the principal office of the Community Association provided that, at such time as suitable quarters can reasonably be obtained within the Community Association Area in Douglas County, Colorado, the principal office of the corporation shall be located within the Community Association Area.

2.2 **Registered Office and Agent.** The Colorado Nonprofit Corporation Act requires that the Community Association have and continuously maintain in the State of Colorado a registered office and a registered agent whose business office is identical with such registered office. The registered office need not be the same as the principal office of the Community Association. The initial registered office and the initial registered agent are specified in the Articles of Incorporation of the Community Association but may be changed by the Community Association at any time, without amendment to the Articles of Incorporation, by filing a statement as specified by law in the Office of the Secretary of State of Colorado.

III. MEMBERS.

3.1 **Members.** A “Member”, as defined in the Community Declaration, is the Person, or if more than one, all Persons collectively, who constitute the Owner of a Privately Owned Site within the Community Association Area.

3.2 **Membership Appurtenant to Sites.** Each Membership shall be appurtenant to the fee simple title to a Privately Owned Site. The Person or Persons who constitute the Owner of fee simple title to a Privately Owned Site shall automatically be the holder of the Membership appurtenant to that Privately Owned Site and the Membership shall automatically pass with fee simple title to the Privately Owned Site.

3.3 **Voting Rights of Members.** Each Member shall have the right to cast votes for the election of a Delegate to the Community Association to exercise the voting power of the Delegate District in which the Member’s Privately Owned Site is located. The Supplemental Declaration by which property is annexed to the Community Association Area shall define the Delegate District within which each Privately Owned Site is located and shall state whether or not the Delegate District is to be governed by a Subassociation. If a Delegate District is governed by a Subassociation, then Members shall have the same voting rights for the election of a Delegate from that Delegate District as for the election of a member of the Board of Directors of the Subassociation. If the Delegate District is not governed by the Subassociation, then Members in that Delegate District shall have voting rights for the election of a Delegate to represent the Delegate District as provided in the following section of these Bylaws,

3.4 **Class A and Class B Members Votes.** Within any Delegate District without a Subassociation, there shall be Class A Members and Class B Members. Initially, Class A Members shall be all Members with the exception of Declarant, and each Class A Member shall be entitled to one vote for each Privately Owned Site which he or she or it owns within the Delegate District. Declarant shall become a Class A Member, with regard to Privately Owned Sites owned by Declarant in any such Delegate District without a Subassociation, upon the conversion of Declarant’s Class B Membership to Class A Membership as provided below. Declarant shall be the sole Class B Member. The Class B Member shall be entitled to three times the number of votes to which the Class B Member would have been entitled as a Class A Member. As to any such Delegate District without a Subassociation, the Class B Membership shall cease as to that Delegate District and be converted to a Class A Membership on the happening of either of the following events, whichever occurs earlier: (a) when the total votes outstanding in the Class A Membership for that Delegate District equal the total votes outstanding in the Class B Membership for the Delegate District; or (b) three years from the date of Recordation of the Supplemental Declaration or other written instrument creating the Delegate District.

3.5 **Voting by Joint Owners.** If there is more than one person who constitutes the Owner of a Privately Owned Site, each such Person shall be entitled to attend any meeting of Members of a Delegate District but the voting power attributable to the Privately Owned Site shall not be increased. In all cases in which more than one Person constitutes the Owner of a Privately Owned Site, including instances in which a Privately Owned Site is

owned -by a husband and wife, then, unless written notice to the contrary, signed by any one of such Persons, is given to the Board of Directors of the Community Association prior to the meeting, any one such person shall be entitled to cast, in person or by proxy, the vote attributable to the Privately Owned Site. If, however, more than one Person constituting such Owner attends a meeting in person or by proxy, and seeks to cast the vote attributable to the Site, then the act of those Persons owning a majority in interest in such a Privately Owned Site shall be entitled to cast the vote attributable to such Privately Owned Site.

3.6 **Resolution of Voting Disputes.** In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of Members at a meeting of a Delegate District, the Board of Directors of the Community Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall, when rendered in writing, be final and binding as an arbitration award and may be acted upon in accordance with the Colorado Uniform Arbitration Act of 1975, as the same may be amended, provided, however, that the Board of Directors shall have no authority or jurisdiction to determine matters relating to the entitlement of Declarant to vote or relating to the manner of exercise by Declarant of its voting rights.

3.7 **Suspension of Voting Rights.** The Board of Directors may suspend, after Notice and Hearing, the voting rights of a Member during and for up to 60 days following any breach by such Member or a Related User of such Member of any provision of the Community Declaration or of any Rule or Regulation adopted by the Community Association.

3.8 **Transfer of Memberships on Association Books.** Transfers of Memberships shall be made on the books of the Community Association only upon presentation of evidence, satisfactory to the Community Association, of the transfer of ownership of the Privately Owned Site to which the Membership is appurtenant. Prior to presentation of such evidence, the Community Association may treat the previous owner of the Membership as the owner of the Membership entitled to all rights in connection therewith, including the rights to vote and to receive notice.

3.9 **Assignment of Voting Rights to Tenants and Mortgagees.** A Member may assign his or her right to vote to a tenant occupying his or her Privately Owned Site or to a mortgagee of his or her Privately Owned Site for the term of the lease or the mortgage and any sale, transfer or conveyance of the Privately Owned Site shall, unless otherwise provided in the document of sale, transfer or conveyance, be subject to any such assignment of voting rights to any tenant or mortgagee. Any such assignment of voting rights and any revocation or termination of any assignment of voting rights shall be in writing and shall be filed with the Secretary of the Community Association.

IV. MEETINGS OF MEMBERS.

4.1 **Delegate Districts with Subassociation.** Matters relating to meetings of Members within a Delegate District which is governed by a Subassociation may be governed by the Bylaws of the Subassociation. Except to the extent contrary to or

inconsistent with the Bylaws of the Subassociation, the following sections of these Bylaws shall be applicable to meetings of Members within a Delegate District which is governed by a Subassociation. The Bylaws of the Subassociation shall in any event, provide for an annual meeting of Members to elect a Delegate to the Community Association and for the holding of such annual meeting within the time periods specified hereinafter for annual meeting of Members in Delegate Districts.

4.2 **Delegate Districts without a Subassociation.** The following sections of these Bylaws shall govern matters relating to meetings of Members in Delegate Districts not governed by a Subassociation.

4.3 **Place of Members' Meetings.** Meetings of Members in a Delegate District shall be held at the principal office of the Community Association or at such other place within or convenient to the Community Association Area, as may be fixed by the Board of Directors and specified in the notice of the meeting.

4.4 **Annual Meeting of Members.** Annual meeting of Members shall be held in April of each year on such day in April and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting. The annual meetings in each Delegate District shall be held to elect a Delegate from that Delegate District if necessary or required and to transact such other business as may properly come before the meeting.

4.5 **Special Meetings of Members.** Special meetings of the Members in any Delegate District may be called by the Delegate representing the Delegate District the Board of Directors of the Community Association or by Members holding not less than 5% of the total votes for all Members in the Delegate District, excluding votes of Declarant or by Members holding not less than 5% of the total votes of all Members in the Delegate District, including votes of Declarant. No business shall be transacted at a special meeting of Members except as indicated in the notice thereof.

4.6 **Record Date.** For the purpose of determining Members entitled to notice of, or to vote at, any meeting of Members in any Delegate District or in order to make determination of such Members for any other proper purpose, the Board of Directors of the Community Association may fix, in advance, a date as the record date for any such determination of Members. The record date shall be not more than 50 days prior to the meeting of Members or the event requiring a determination of Members.

4.7 **Notice of Members' Meetings.** Written notice stating the place, day and hour of any meeting in any Delegate District shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President or the Secretary of the Community Association or the officers or persons calling the meeting, to each Member entitled to vote at such meeting. The notice of an annual meeting shall include the names of any known candidate for Delegate and shall identify any other matter which it is known may come before the meeting. The notice of a special meeting shall state the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be delivered when deposited in the United States

mail addressed to the Member at his or her address as it appears on the records of the Community Association, with postage thereon prepaid. Such notice shall be posted in a conspicuous place in the Community Association Area, such as on a notice board outside the principal office of the Community Association, and such notice shall be deemed to be delivered to any Member upon such posting if such Member has not furnished an address for mailing of notice to the Community Association.

4.8 **Proxies.** A Member entitled to vote in any Delegate District may vote in person or by proxy executed in writing by the Member or his or her duly authorized attorney-in-fact and filed with the Chairman of the meeting prior to the time the proxy is exercised. Any proxy may be revocable by attendance of a Member in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the conveyance by a Member of the Privately Owned Site of the Member and the transfer of the Membership on the books of the Association. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy and no proxy shall be valid in any event for more than three years after its date of execution. Any form of proxy furnished or solicited by the Community Association and any form of written ballot furnished by the Community Association shall afford an opportunity thereon for Members to specify a choice between approval and disapproval of each matter or group of related matters which is known at the time the form of proxy or written ballot is prepared, may come before the meeting and shall provide, subject to reasonably specified conditions, that if a Member specifies a choice with respect to any such matter, the vote shall be cast in accordance therewith.

4.9 **Quorum at Members' Meetings.** Except as may be otherwise provided in the Community Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting, the presence, in person or by proxy, of Members entitled to cast at least 10% of the votes of all Members in any Delegate District shall constitute a quorum at any meeting of such Members. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present in person or by proxy at any such meeting of Members, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence, in person or by proxy, of Members entitled to cast at least 5% of the votes of all Members, shall, except as may be otherwise provided in the Community Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

4.10 **Adjournments of Members' Meetings.** Members present in person or by proxy at any meeting may adjourn the meeting from time to time, whether or not a quorum shall be present in person or by proxy, without notice other than announcement at the meeting, for a total period or periods of not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present in person or by proxy, any business may be

transacted which might have been transacted at the meeting as originally called.

4.11 **Vote Required at Members' Meetings.** At any meeting of a Delegate District, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law; the Community Declaration, the Articles of Incorporation or these Bylaws.

4.12 **Cumulative Voting Not Permitted.** Since only one Delegate is to be elected from any Delegate District, cumulative voting in an election for a Delegate is not pertinent and is therefore not applicable.

4.13 **Order of Business.** The order of business at any meeting of Members of a Delegate District shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) report of the Delegate of the Delegate District; (e) election of inspectors of election (at annual meetings or special meetings held for the election of a Delegate); and (f) election of a Delegate (at annual meetings or special meetings held for such purpose).

4.14 **Officers of Meetings.** At any meeting of a Delegate District, the Members present shall select a Chairman and Secretary of the meeting.

4.15 **Certification of Election after Meeting.** Promptly after any meeting of Members to elect a Delegate, the Chairman of the meeting shall certify in writing to the Community Association the name and address of the Delegate elected, the Delegate District which the Delegate represents and the time and place of the meeting at which 'the Delegate was elected.

4.16 **Expenses of Meetings.** The Community Association shall bear the expenses of all meetings of Members in Delegate districts without a Subassociation and of special meetings of Members in Delegate Districts governed by a Subassociation which are held to elect a Delegate or to instruct a Delegate as to the manner in which he or she is to vote on any issue.

4.17 **Waiver of Notice.** A waiver of notice of any meeting of Members of a Delegate District, signed by a Member, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Member. Attendance of a Member at a meeting, either in person or by proxy, shall constitute waiver of notice of such meeting except when the Member attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

4.18 **Action of Members without a Meeting.** Any action required to be taken or which may be taken at a meeting of Members in a Delegate District may be taken without a meeting if a consent, in writing, as setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

V. DELEGATES.

5.1 **Delegates.** A “Delegate”, as defined in the Community Declaration, is the natural person selected by Members within a Delegate District to represent such Delegate District and to cast votes on behalf of Members within such Delegate District. The Delegates so selected constitute the “members” of the Community Association as that term is used in the Colorado Nonprofit Corporation Act, notwithstanding the fact that, in the Community Declaration and these Bylaws, the Owners of Privately Owned Sites are referred to and designated as Members.

5.2 **Voting Rights of Delegates.** Each Delegate shall have one vote for each Privately Owned Site which is subject to the Community Declaration and is located in the Delegate District represented by such Delegate except that, in the case of a Privately Owned Site improved with residential apartments, the Delegate shall have one whole vote for each three apartment units located on the Site with a full vote assigned for any extra one or two apartments in lieu of assigning any fractional votes. The Delegate may cast votes with respect to each Privately Owned Site except for any Privately Owned Site as to which the voting right of the Member owning the Privately Owned Site has been suspended. Each Delegate may cast the votes which he or she represents in such manner as he or she may, in his or her sole discretion, deem appropriate, acting on behalf of all of the Members owning Privately Owned Sites in the Delegate District provided, however, that, in the event at least a majority in interest of the Members in any Delegate District shall determine, at any duly constituted meeting of the Members of such Delegate District, to instruct their Delegate as to the manner in which he or she is to vote on any issue to be voted on by the Delegates, then the Delegate representing such Delegate District shall cast all of the voting power in such Delegate District in the same proportion, as nearly as possible without counting fractional votes, as the Members in such Delegate District shall have cast their voting power “for” and “against” such issue in person or by proxy. When a Delegate is voting in his or her own discretion, without instruction from the Members whom he or she represents, then such Delegate may cast all of the votes which he or she represents as a unit or such Delegate may apportion some of such votes in favor of a given proposition and some of such votes in opposition to such proposition. It shall be conclusively presumed for all purposes that any Delegate casting votes on behalf of Members owning Privately Owned Sites in his or her Delegate District will have acted with the authority and consent of all such Members.

5.3 **Qualifications of Delegates.** In order to qualify as a Delegate, a Person must (a) be a natural person, (b) an Owner of a Privately Owned Site within the Community Association Area, or the spouse of such an Owner, who is designated by the Owner as the authorized agent of the Owner, and (c) must reside within the Community Association Area. If a Privately Owned Site is owned by an Entity, a natural person who is an authorized agent of such Entity shall be qualified to be a Delegate if such Privately Owned Site is within the Community Association Area and such natural person resides within the Community Association Area. If a Privately Owned Site is owned by multiple Owners, each Owner shall be eligible to be a Delegate. If a Delegate ceases to be an Owner of a Privately Owned Site within the Community Association Area, ceases to reside within the

Community Association Area or if a Delegate, who is an authorized agent of his or her spouse, who is an Owner, or of an Entity, ceases to be such authorized agent, or if the spouse of the Delegate, on whose behalf the Delegate is acting as an authorized agent or the Entity of which a Delegate is an agent transfers title to his or her or its Privately Owned Site, such person's term as a Delegate shall immediately terminate and a new Delegate shall be elected as promptly as possible to fill such vacancy in the manner provided for in Section 5.7 of these Bylaws. Any Delegate who is more than sixty (60) days delinquent in payment of any Assessments, who is in violation of any provision of the Governing Documents of the Association for more than thirty (30) days, after notice and the opportunity for a hearing have been provided, or has been convicted of a felony shall not be qualified to be elected or serve as a Delegate. If a Delegate is not qualified to serve as a Delegate, the Delegate position shall be deemed vacant.

5.4 **Term of Office of Delegates.**

- A. Each Delegate elected at an annual meeting of Members in a Delegate District shall continue in office for a term of two years, or until his or her successor is elected, whichever is later, unless such Delegate resigns, is removed or his or her term of office terminates because he or she is no longer qualified to be a Delegate or because he or she has become a Director of the Community Association.
- B. The foregoing notwithstanding, the election of Delegates shall be staggered so as to elect the Delegates representing even numbered Districts at the annual meeting of Members held during even numbered years, and to elect Delegates representing odd numbered Districts at the annual meeting of Members held during odd numbered years.

5.5 **Removal of Delegates.** At any meeting of Members of a Delegate District, the notice of which indicates such purpose, the Delegate representing that Delegate District may be removed, with or without cause, by a vote of the majority of the votes of Members present at such meeting in person or by proxy and a successor may be then and there be elected to fill the vacancy thus created.

5.6 **Resignation of Delegates.** Any Delegate may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors of the Community Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective. In the event a Delegate becomes a Director of the Community Association, the Delegate shall be deemed to have resigned as a Delegate upon commencement of the Delegate meeting next scheduled after he or she becomes a Director.

5.7 **Vacancies in Delegates.** Any vacancy occurring in the office of a Delegate shall, unless filled in accordance with Section 5.5, be filled at a special meeting, called for such purpose, of Members of the Delegate District represented by such Delegate. A Delegate elected to fill a vacancy shall be elected for the unexpired term of his or her

predecessor in office.

VI. MEETINGS OF DELEGATES.

6.1 **Place of Delegate Meetings.** Meetings of Delegates shall be held at the principal office of the Community Association or at such other place, within or convenient to the Community Association Area, as may be fixed by the Board of Directors and specified in the notice of the meeting.

6.2 **Annual Meetings of Delegates.** Annual meetings of Delegates shall be held in March of each year on such day in March and at such time of day as is fixed by the Board of Directors and specified in the notice of meeting. The date in March for the annual meeting shall be fixed by the Board of Directors so that it shall be at least 30 days prior to the first of the annual meetings of Delegate Districts in that year and so that notice of the meeting, in accordance with these Bylaws, may be given to the Delegates elected at the previous annual meetings of Delegate Districts. Annual meetings of Delegates shall be held to elect directors of the Community Association and to transact such other business as may properly come before the meeting.

6.2.1 Regular Meetings of Delegates.

(a) In addition to an annual meeting, Delegates shall conduct regular meetings at least quarterly for the purpose, without limitation, of reviewing and/or advising the Board of Directors on matters referred to it by the Board, by Delegates, or by one or more Members. Regular meetings shall also be utilized as necessary to carry out those functions set forth in Section 4.7 of the Community Declaration and, when doing so, the Delegate body shall serve as the primary advisory committee to the Board of Directors regarding any improvements, programs, property conveyances or leases, transactions, or activities proposed for or occurring on or with the HRCA Recreation Cost Centers, including that Community Association property known as the Backcountry Wilderness Area, inclusive of all planning and conserved areas, comprising 7,254 acres; more or less; and the Board shall take no preliminary or final action on any matter described herein without having first presented the same for review and recommendation by the Delegates.

(b) A schedule of regular meetings in any given year establishing the date, time and place for each meeting shall be adopted by the Delegates at their annual meeting, and if so adopted shall constitute fair and reasonable notice to all Delegates of the meetings set forth in the schedule. All meetings shall be open to Members and agendas shall be made reasonably available. Written minutes shall be taken and maintained for all meetings.

6.3 **Special Meetings of Delegates.** Special Meetings of Delegates may be called by the Board of Directors or by Delegates representing at least 15% of the total voting power of Delegates. No business shall be transacted at a special meeting of Delegates except as indicated in the notice thereof.

6.4 **Record Date.** For the purpose of determining Delegates entitled to notice

of, or to vote at, any meeting of Delegates, or in order to make a determination of such Delegates for any other proper purpose, the Board of Directors of the Community Association may fix, in advance, a date as the record date for any such determination of Delegates. The record date shall not be more than 50 days prior to the meeting of Delegates or the event requiring a determination of Delegates.

6.5 Notice of Delegate Meetings.

(a) Annual and special meetings. Notice to Delegates of annual or special meetings shall be provided not less than ten (10) nor more than fifty (50) days prior to the meeting. Notice shall be transmitted by: (i) mailing the same in the regular U.S. Mail, first-class postage prepaid, to the last address of record on file with the Community Association for the Delegate; or (ii) telephone or facsimile transmission to the last number on file with the Community Association for the Delegate; or (iii) e-mail to the last e-mail address on file with the Community Association for the Delegate; or (iv) hand-delivery; or (v) publication in the Community Association's newsletter regularly sent to Members if addressed to the Delegate's last mailing address on file with the Community Association.

(b) Regular meetings. Notice to Delegates of a regular meeting shall be provided not less than ten (10) days prior to any such meeting and shall be transmitted by one or more of the following methods: (i) adoption of a schedule of regular meetings by written resolution at the annual meeting of Delegates and the schedule's publication and posting at a prominent place at or within each Community Association recreation center and on the Community Association's web site; (ii) mailing in the regular U.S. Mail, first-class postage prepaid, to the last address of record on file with the Community Association for the Delegate; (iii) telephone or facsimile to the last number on file with the Community Association for the Delegate; (iv) e-mail to the last e-mail address on file with the Community Association for the Delegate; (v) hand-delivery; or (vi) publication in the Community Association's regular newsletter if addressed to the Delegate's last mailing address on file with the Community Association.

(c) Contents and effective date of meeting notice. (1) Unless otherwise provided elsewhere in the Bylaws or mandated by law, each notice shall contain the date, time, and place for the meeting and, when practical, may provide the meeting agenda or a reasonable descriptive summary of the items to be addressed and/or voted upon. The notice of the annual meeting shall also include the names of any known candidates for election to the Board of Directors. Notwithstanding the foregoing, notice of a meeting at which an amendment to the Bylaws or the Articles of Incorporation may be voted upon is to contain the proposed amendment or a reasonable descriptive summary of the same. (2) Notice shall be deemed delivered and effective after 5:00 p.m. on the second business day after transmission or upon receipt, whichever is earlier.

(d) Notice to Members. Notice of annual, special, and regular Delegate meetings shall be provided to Members not less than ten (10) days prior thereto by: (i) posting the same at one or more prominent places at or within each Community Association recreation center, and (ii) by electronic posting at a conspicuous place on the Community

Association web site. Notice of regular meetings and meeting schedules shall also be regularly published in the Community Association newsletter.

6.6 **Proxies.** A Delegate may vote in person or by proxy executed in writing by the Delegate and filed with the Chairman of the meeting prior to the time the proxy is exercised. All proxies must be given on a form approved by the Community Association. The Community Association shall provide a directed proxy form for all board member elections, which proxy shall require that the Delegate designate how the proxy holder shall vote in the election. The Community Association shall provide a general proxy for all other Delegate voting which shall afford the opportunity thereon for the Delegate, at his or her discretion, to direct or not direct how the proxy shall vote on any particular issue. Any proxy shall be revocable by attendance of a Delegate in person at a meeting or by revocation in writing filed with the Chairman of the meeting prior to the time the proxy is exercised. A proxy shall automatically cease upon the occurrence of any event which causes a Delegate to no longer meet the qualifications of Delegates as set forth in these Bylaws. No proxy shall be valid after the meeting for which it is solicited unless that meeting is continued or adjourned until a later agreed to and specified date.

6.7 **Quorum at Delegates' Meetings.** Except as may be otherwise provided in the Community Declaration, the Articles of Incorporation or these Bylaws, and except as hereinafter provided with respect to the calling of another meeting of Delegates, the presence in person or by proxy of Delegates entitled to cast at least 50% of the votes plus 1 vote of a Privately Owned Site shall constitute a quorum at any meeting of Delegates. Delegates present at a duly organized meeting of Delegates may continue to transact business until adjournment, notwithstanding the withdrawal of Delegates so as to leave less than a quorum. If the required quorum is not present at any meeting of Delegates, another meeting may be called, subject to the notice requirements hereinabove specified, and the presence of Delegates entitled to cast at least 25% of the votes of all Delegates shall, except as may be otherwise provided in the Community Declaration, the Articles of Incorporation or these Bylaws, constitute a quorum at such meeting.

6.8 **Adjournments of Delegates' Meetings.** Delegates present at any meeting of Delegates may adjourn the meeting from time to time, whether or not a quorum shall be present; without notice other than an announcement at the meeting, for a total period or periods of not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

6.9 **Vote Required at Delegates' Meetings.** At any meeting of Delegates, if a quorum is present, a majority of the votes present in person or by proxy and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Community Declaration, the Articles of Incorporation or these Bylaws.

6.10 **No Cumulative Voting.** Cumulative voting by Delegates in the Election of Directors shall not be permitted.

6.11 **Order of Business.** The order of business at all meetings of Delegates shall be as follows: (a) roll call to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of proceeding meeting; (d) reports of officers; (e) reports of committees; (f) election of inspectors of election. (at annual meetings or special meetings held for the election of Directors); (g) election of Directors (at annual meetings or special meetings held for such purpose); (h) unfinished business; and (i) new business.

6.12 **Officers of Meetings.** The President of the Community Association shall act as chairman and the Secretary of the Community Association shall act as secretary of any meeting of Delegates. In the absence of the President, the Vice President, the Secretary or the Treasurer, in that order, shall act as chairman of the meeting. In the absence of the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer, in that order, shall act as secretary of the meeting.

6.13 **Waiver of Notice.** A waiver of notice of any meeting of Delegates, signed by a Delegate, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Delegate; Attendance of a Delegate at a meeting of Delegates shall constitute waiver of notice of such meeting except when the Delegate attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

6.14 **Action of Delegates without a Meeting.** Any action required to be taken or which may be taken at a meeting of Delegates, may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the Delegates.

6.15 **Members Right to Attend.** Any Member of a Delegate District shall be entitled to attend any Meeting of Delegates.

VII. BOARD OF DIRECTORS.

7.1 **General Powers and Duties of Board.** The Board of Directors shall have the duty to manage and supervise the affairs of the Community Association and shall have all powers necessary or desirable to permit it to do so. Without limiting the generality of the foregoing, the Board of Directors shall have the power to exercise or cause to be exercised for the Association, all of the powers, rights and authority of the Community Association not reserved to Members in the Community Declaration, the Articles of Incorporation, these Bylaws or the Colorado Non-Profit Corporation Act.

7.2. **Special Powers and Duties of Board.** Without limiting the foregoing statement of general powers and duties of the Board of Directors or the powers and duties of the Board of Directors as set forth in the Community Declaration, the Board of Directors of the Community Association shall be vested with and responsible for the following

specific powers and duties:

(a) Assessments. The duty to fix and levy from time to time Common Assessments, Special Assessments, and Reimbursement Assessments upon the members of the Community Association as provided in the Community Declaration; to determine and fix the due date for the payment of such Assessments and the date upon which the same shall become delinquent; and to enforce the payment of such delinquent assessments as provided in the Community Declaration.

(b) Insurance. The duty to contract and pay premiums for fire and casualty and blanket liability and other insurance in accordance with the provisions of the Community Declaration.

(c) Community Association Property. The duty to contract for and pay bills for maintenance, legal service, accounting service, gardening, common utilities and other materials, supplies and services relating to the Community Association Properties, and to employ personnel necessary for the care and operation of the Community Association Properties, and to contract and pay for necessary improvements on the Community Association Properties.

(d) Agents and Employees. The power to select, appoint, and remove all officers, agents, and employees of the Community Association and to prescribe such powers and duties for them as may be consistent with law, with the Articles of Incorporation, the Community Declaration and these Bylaws; and to fix their compensation and to require from them security for faithful service as deemed advisable by the Board.

(e) Borrowing. The power to borrow money for the purposes of the Community Association.

(f) Pledging Community Association Property. The power, with the approval of Delegates representing at least two-thirds (2/3rds) of the voting power of the Community to encumber Community Association Properties as security for any borrowing approved by the Board subject to the requirements set forth in the Community Declaration.

(g) Enforcement. The power to enforce the provisions of the Community Declaration, the Rules and Regulations, these Bylaws or other agreements of the Community Association.

(h) Delegation of Powers. The power to delegate its powers according to law.

(i) Easements. The power to grant easements where necessary for utilities and other facilities over the Community Association Properties to serve the Community Association Area.

(j) Rules and Regulations. The power to adopt such Rules and Regulation as the Board may deem necessary for the management of the Community Association Area.

Such Rules and Regulations may concern, without limitation, use of the Community Association Properties, signs, parking restrictions; common collection and disposal of refuse; minimum standards of property maintenance consistent with the Community Declaration and the provisions of the Architectural Committee; and any other matters within the jurisdiction of the Community Association as provided in the Community Declaration; provided, however, that such Rules and Regulations shall be enforceable only to the extent that they are consistent with the Community Declaration, the Articles and these Bylaws.

(k) Annual Community Association Budget. Prior to the final adoption of the annual Budget in any given year the Board of Directors shall present the same, in draft form, at not less than one regular or special meeting of Delegates for the purpose of obtaining advice, suggestions, or recommendations. A recommendation by the Delegates to approve or not approve a proposed Budget, or any part thereof, shall be advisory only, except as otherwise required by Section 4.7 of the Community Declaration.

7.3 Qualifications of Directors. In order to qualify to act as a Director, a Person must (a) be a natural person, (b) an Owner of a Privately Owned Site within the Community Association Area, or the spouse of such an Owner, who is designated by the Owner as the authorized agent of the Owner, and (c) must reside within the Community Association Area. If a Privately Owned Site is owned by an Entity, a natural person who is an authorized agent of such Entity shall be qualified to be a Director if such Privately Owned Site is within the Community Association Area and such natural person resides within the Community Association Area. If a Privately Owned Site is owned by multiple Owners, each Owner shall be eligible to be a Director. If a Director ceases to be an Owner of a Privately Owned Site within the Community Association Area, ceases to reside within the Community Association Area or if a Director, who is an authorized agent of his or her spouse, who is an Owner, or of an Entity, ceases to be such authorized agent; or if the spouse of the Director, on whose behalf the Director is acting as an authorized agent or the Entity of which a Director is an agent transfers title to his or her or its Privately Owned Site, such person's term as Director shall immediately terminate and a new Director shall be elected promptly as possible to fill such vacancy in the manner provided in Section 7.8 of these Bylaws. Any Director who is more than sixty (60) days delinquent in payment of any Assessment, who is in violation of any provision of the Governing Documents of the Association for more than thirty (30) days, after notice and the opportunity for a hearing have been provided or has been convicted of a felony shall not be qualified to be elected or serve as a Director. If a Director is not qualified to serve as a Director, the Director position shall be deemed vacant.

7.4 Number of Directors. The number of Directors of the Community Association shall be five except that, until the first annual meeting of Delegates, the number of Directors shall be three. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws provided that the number of Directors shall not be less than three and no decrease in number shall have the effect of shortening the term of any incumbent Director.

7.5 **Term of Office of Directors.**

- A. For all Directors elected prior to the annual meeting of the Delegates held in March of 2024, the term of office for such Directors shall be for two years. Beginning with the class of Directors elected by the Delegates in March of 2024 as specified above in Section 7.4 of these Bylaws, the term of such Directors shall be for three year terms. For the class of Directors elected at the annual meeting of Delegates held in March of 2025 as specified above in Section 7.4 of these Bylaws, the term of such Directors shall be for three year terms. No class of Directors shall be elected at the annual meeting of Delegates held in March of 2026. Following the election of Directors in 2024 and 2025, the terms for these classes of Directors shall continue for three year terms until such time as the terms of Directors are amended in these Bylaws.
- B. Any candidate for the office of Director shall file intent of his or her candidacy by completing all items on the Candidate Data Form provided by the Community Association Office, and filing said form with the Community Manager no later than 5:00 P.M., on the 45th day prior to the election of Directors.

7.6 **Removal of Directors.** At any meeting of Delegates, the notice of which indicates such purpose, any Director may be removed, with or without cause, by vote of a majority of the Delegates and a successor may be then and there elected to fill the vacancy thus created.

7.7 **Resignation of Directors.** 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 such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

7.8 **Vacancies in Directors.** Any vacancy occurring in the Board of Directors shall, unless filled in accordance with Section 7.6 or by election at a regular or special meeting of Delegates, be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, provided there are less than 365 days remaining in the term of the vacant office when the vacancy occurs. Should there be 365 or more days remaining in the term when the vacancy occurs, the vacancy shall be filled at a regular or special meeting of Delegates called to elect a replacement. A Director elected or appointed to fill a vacancy shall serve the unexpired term of his or her predecessor in office. A Director position to be filled by reason of an increase in the number of Directors shall be filled only by vote of the Delegates.

7.9 **Executive Committee.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint an Executive Committee, which shall consist of three or more Directors and which, unless otherwise provided in such resolution, shall have and exercise all the authority of the Board of Directors except authority with respect to those matters specified in the Colorado Nonprofit Corporation

Act as matters which such committee may not have and exercise the authority of the Board of Directors.

7.10 **Other Committees of Association.** The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate and appoint one or more other committees, which may consist of or include Members or Delegates who are not Directors. Any such committee shall have and exercise such authority as shall be specified in the resolution creating such committee except such authority as can only be exercised by the Board of Directors.

7.11 **General Provisions Applicable to Committees.** The designation and appointment of any committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him or her by law.

The provisions of these Bylaws with respect to notice of meeting, waiver of notice, quorums, adjournments, vote required and action by consent applicable to meetings of Directors shall be applicable to meetings of committees of the Board of Directors.

7.12 **Manager or Managing Agent.** The Board of Directors, by resolution adopted by a majority of the Directors in office, shall, at or as reasonably possible after the first annual meeting of the Board of Directors, designate and appoint a manager or a managing agent, or both, which manager or managing agent shall have and exercise those powers and shall fulfill those duties of the Board of Directors as shall be specified in any such resolution. Any such resolution may delegate all or substantially all of the powers and duties of the Board of Directors to any such manager or managing agent but the Board, in delegating powers and duties to any such manager or managing agent, shall not be relieved of its responsibilities under the Declaration.

7.13 **Qualifications of Committee Members.** Any Committee member who is more than sixty (60) days delinquent in payment of any Assessment, who is in violation of any provision of the Governing Documents of the Association for more than thirty (30) days, after notice and the opportunity for a hearing have been provided or Who has been convicted of a felony shall not be qualified to be elected or serve as a Committee member. If a Committee member is not qualified to serve as a Committee member, the Committee member position shall be deemed vacant.

VIII. MEETINGS OF DIRECTORS.

8.1 **Place of Directors' Meetings.** Meetings of the Board of Directors shall be held at the principal office of the Community Association or at such other place, within or convenient to the Community Association Area, as may be fixed by the Board of Directors and specified in the notice of the meeting.

8.2 **Annual Meeting of Directors.** Annual meetings of the Board of Directors shall be held on the same date as, or within 10 days following, the annual meeting of

Delegates. The business to be conducted at the annual meeting of Directors shall consist of the appointment of officers of the Community Association and the transaction of such other business as may properly come before the meeting. No prior notice of the annual meeting of the Board of Directors shall be necessary if the meeting is held on the same day and at the same place as the annual meeting of Delegates at which the Board of Directors is elected or if the time and place of the annual meeting of the Board of Directors is announced at the annual meeting of such Delegates.

8.3 **Regular Meetings of Directors--meetings defined--to be open.**

(a) For purposes of this Article VIII, "meeting" shall mean any kind of gathering of three or more Directors convened to discuss Community Association business and includes telephone, video or other electronic conferencing, and multilateral electronic mailing. Any chance meeting or social gathering at which the discussion of Community Association business is not the purpose shall not be deemed a "meeting."

(b) The Board of Directors shall hold regular meetings at least quarterly and may, by resolution, establish a schedule of the times and places for such regular meetings.

(c) All meetings of the Board of Directors shall be open to all Members and Delegates, except that executive or closed-door sessions shall be permitted as allowed by law. Meeting agendas, or a reasonable written description of matters to be discussed or decided upon, shall be made reasonably available prior to or at any meeting.

8.4 **Special and Other Meetings of Directors.** Special or other meetings, including work sessions and retreats, may be called by the President or any two (2) members of the board as deemed necessary or convenient from time to time. Special meetings shall be conducted in the same manner as regular meetings. No formal or final non-administrative decisions or actions may be taken at work sessions or retreats.

8.5 **Notice of Director Meetings--contents of notice--emergencies.** Except as may be required by applicable law, the Community Declaration, or other specific bylaw, notice of Board of Director meetings shall be as follows:

(a) Notice to Members and Delegates of Director meetings shall be provided not less than seventy-two (72) hours in advance thereof by (i) posting in printed format in a prominent location at each of the Community Association recreation centers and (ii) posting electronically at a prominent location on the Community Association's web site. Additionally, 72-hour advance electronic notice shall be provided to Delegates by e-mail at those respective addresses most recently on file with the Community Association. Notwithstanding the foregoing, should the Board of Directors have passed, in advance at a regular meeting, a resolution establishing a fixed schedule of for regular or other future meetings, including work sessions, and that schedule has been posted in printed format at prominent locations at each of the Community Association recreation centers, published at least once in the printed Community Association newsletter, if any, and continuously posted electronically at a prominent place on the Community Association web site, then

no additional notice to Members or Delegates of a meeting set forth on the schedule need be provided.

(b) Absent notice of a meeting or meetings through the advance adoption by the Board of Directors at a regular meeting of a resolution establishing a schedule for the same, notice of a Director meeting to directors shall be provided orally or in writing not less than seventy-two (72) hours prior thereto utilizing one or more of the following methods: personal delivery, electronic mail, telephone or facsimile at the most recent electronic address or number on file with the Community Association, or mailing in the regular U.S. Mail, or other mail service to the most recent address on file with the Community Association, if done so as to insure receipt of the notice not less than 72 hours prior to the meeting.

(c) Notice of a Director meeting shall state the date, time and place thereof and, when practical, an agenda or reasonable description of the business or subject matter to be discussed or acted upon.

(d) Nothing hereinabove shall be intended or construed to prohibit the calling and convening of a Director meeting without notice in circumstances of an emergency as determined in good faith by the President or two (2) board members.

8.6 **Proxies.** A Director shall not be entitled to vote by proxy at any meeting of Directors.

8.7 **Quorum of Directors.** A majority of the number of Directors fixed in these Bylaws shall constitute a quorum for the transaction of business.

8.8 **Adjournment of Directors' Meetings.** Directors present at any meeting of Directors may adjourn the meeting from time to time, whether or not a quorum shall be present, without notice other than an announcement at the meeting, for a total period or periods not to exceed 30 days after the date set for the original meeting. At any adjourned meeting which is held without notice other than announcement at the meeting, the quorum requirement shall not be reduced or changed, but if the originally required quorum is present, any business may be transacted which may have been transacted at the meeting as originally called.

8.9 **Vote Required at Directors' Meeting.** At any meeting of Directors, if a quorum is present, a majority of the votes present in person and entitled to be cast on a matter shall be necessary for the adoption of the matter, unless a greater proportion is required by law, the Community Declaration, the Articles of Incorporation or these Bylaws.

8.10 **Order of Business.** The order of business at all meetings of Directors shall be as follows: (a) roll call; (b) proof of notice of meeting or waiver of notice; (c) reading of minutes of preceding meeting; (d) reports of officers; (e) reports of committees; (f) unfinished business; and (g) new business.

8.11 **Officers at Meetings.** The President shall act as chairman and the Board of Directors shall elect a Director to act as secretary at all meetings of Directors.

8.12 **Waiver of Notice.** A waiver of notice of any meeting of the Board of Directors, signed by a Director, whether before or after the meeting, shall be equivalent to the giving of notice of the meeting to such Director. Attendance of a Director at a meeting in person shall constitute waiver of notice of such meeting except where the Director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

8.13 **Action of Directors Without a Meeting.** Any action required to be taken or which may be taken at a meeting of Directors, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

IX. OFFICERS.

9.1 **Officers, Employees and Agents.** The officers of the Community Association shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers, assistant officers, employees and agents as may be deemed necessary by the Board of Directors. Officers other than the President need not be Directors. No person shall simultaneously hold more than one office except the office of Secretary and Treasurer.

9.2 **Appointment and Term of Office of Officers.** The officers shall be appointed by the Board of Directors at the annual meeting of the Board of Directors and shall hold office, subject to the pleasure of the Board of Directors until the annual meeting of the Board of Directors or until their successor is appointed, whichever is later, unless the officer resigns or is removed earlier.

9.3 **Removal of Officers.** Any officer, employee or agent may be removed by the Board of Directors, with or without cause, whenever in the Board's judgment the best interests of, the Community Association will be served thereby. The removal of an officer, employee or agent shall be without prejudice to the contract rights, if any, of the officer, employee or agent so removed. Election or appointment of an officer, employee or agent shall not of itself create contract rights.

9.4 **Resignation of Officers.** Any officer may resign at any time by giving written notice to the Secretary or to the Board of Directors of the Community Association stating the effective date of such resignation. Acceptance of such resignation shall not be necessary to make the resignation effective.

9.5 **Vacancies in Officers.** Any vacancy occurring in any position as an Officer may be filled by the Board of Directors. An Officer appointed to fill a vacancy shall be appointed for the unexpired term of his or her predecessor in office.

9.6 **President.** The President shall be a member of the Board of Directors and

shall be the principal of the Community Association and, subject to the control of the Board of Directors, shall direct, supervise, coordinate and have general control over the affairs of the Community Association, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the Board of Directors and of Delegates of the Community Association.

9.7 **Vice President.** The Vice President may act in place of the President in case of his or her death, absence or inability to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Directors or by the President.

9.8 **Secretary.** The Secretary shall be the custodian Of the records and the seal of the Community Association and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these Bylaws and as required by law and that the books, reports and other documents and records of the Community Association are properly kept and filed; shall take or cause to be taken and shall keep minutes of the meetings of Delegates, of the Board of Directors and of committees of the Board; shall keep at the principal office of the Community Association a record of the names and addresses of the Delegates and Members; and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him or her by the Board of Directors or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his or her death, absence or inability to act.

9.9 **Treasurer.** The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the Community Association; shall deposit all such funds in the name of the Community Association in such depositories as shall be designated by the Board of Directors; shall keep, correct and complete financial records and books of account and records of financial transactions and condition of the Community Association and shall submit such reports thereof as the Board of Directors may, from time to time, require; shall arrange for the annual audited report required under Section 11.4 of these Bylaws; and, in general, shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the Board of Directors or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his or her death, absence or inability to act.

9.10 **Bonds.** The Community Association shall require fidelity bonds covering officers or other persons handling funds of the Community Association as required in the Community Declaration. The Community Association shall pay the premiums for such bonds.

X. INDEMNIFICATION OF OFFICIALS AND AGENTS.

10.1 **Certain Definitions.** A “Corporate Official” shall mean any Delegate, Director or officer and any former Delegate Director or officer of the Community

Association. A “Corporate Employee” shall mean any employee and any former employee of the Association. “Corporate Official” and “Corporate Employee” shall not include any officer, director, agent or employee of Declarant or of any managing agent employed by the Community Association and no such persons shall have rights of indemnification hereunder. “Expenses” shall mean all costs and expenses including attorneys’ fees, liabilities, obligations, judgments and any amounts paid in reasonable settlement of a Proceeding. “Proceeding” shall mean any claim, action, suit or proceeding, whether threatened, pending or completed, and shall include appeals.

10.2 **Right of Indemnification.** The Community Association shall indemnify any Corporate Official and may, in the discretion of the Board of Directors, indemnify any Corporate Employee against any and all Expenses actually and necessarily incurred by or imposed upon him or her in connection with, arising out of, or resulting from, any Proceeding in which he or she may be involved or to which he or she is or may be made a party by reason of (a) actual or alleged error or misstatement or misleading statement or act or omission or neglect or breach of duty while acting in his or her official capacity as a Corporate Official or Corporate Employee, or (b) any matter claimed against him or her solely by reason of his or her being a Corporate Official or Corporate Employee. The right of indemnification shall extend to all matters as to which a majority of disinterested directors of the Community Association by resolution, or independent legal counsel in a written opinion, shall determine that the Corporate Official or employee acted in good faith and had no reasonable cause to believe that his or her conduct was improper or unlawful. The right of indemnification shall not extend to matters as to which the Corporate Official or Employee is finally adjudged in an action, suit or proceeding to have been liable for gross negligence or willful misconduct in the performance of his or her duty except to the extent that a court may determine, upon application, that despite such adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity. The right of indemnification shall not extend to any matter as to which said indemnification would not be lawful under the laws of the State of Colorado.

10.3 **Advances of Expenses and Defense.** The Community Association may advance expenses to, or where appropriate, may undertake, the defense of, any Corporate Official or Employee in a Proceeding provided that the Corporate Official or Employee shall undertake, in writing, to reimburse the Community Association for the expenses advanced or for the costs and expenses of such defense if it should ultimately be determined that the Corporate Official or Employee is not entitled to indemnification under this Article.

10.4 **Rights Not Exclusive.** The right of indemnification herein provided shall not be exclusive of other rights to which such Corporate Official or Employee may be entitled as a matter of law.

10.5 **Authority to Insure.** The Community Association may purchase and maintain liability insurance on behalf of any Corporate Official or Employee against any liability asserted against him or her and incurred by him or her as a Corporate Official or Employee or arising out of his or her status as such, including liabilities for which a

Corporate Official or Employee might not be entitled to indemnification hereunder.

XI. MISCELLANEOUS.

11.1 **Amendment of Bylaws.** The Board of Directors shall not have the power to alter, amend or repeal these Bylaws or to adopt new bylaws. Subject to any approval of the FHA or VA or of First Mortgages required under the Community Declaration, the Delegates, at a meeting called for that purpose, shall have the sole power to alter, amend or repeal the Bylaws and to adopt new Bylaws by a majority of votes present at the meeting, if a quorum is present. The Bylaws may contain any provision for the Regulation or management of the affairs of the Community Association not inconsistent with law, the Community Declaration or the Articles of Incorporation.

11.2 **Compensation of Officers, Directors and Delegates.** No Director or Delegate shall have the right to receive any compensation from the Community Association for serving as such Director or Delegate except for reimbursement of expenses as may be approved by resolution of disinterested members of the Board of Directors. Officers, agents and employees shall receive such reasonable compensation as may be approved by the Board of Directors except that no officer, director or employee of Declarant or of any affiliate of Declarant may receive compensation as an officer, agent, employee, Director or Delegate. Appointment of a person as an officer, agent or employee shall not, of itself, create any right to compensation.

11.3 **Books and Records.** The Community Association shall keep correct and complete books and records of account and shall keep, at its principal office in Colorado, a record of the names and addresses of its Delegates and Members, and copies of the Community Declaration, the Articles of Incorporation and these Bylaws which may be purchased by any Member at reasonable cost. All books and records of the Association, including the Articles of Incorporation, Bylaws as amended and minutes of meetings of Members, Delegates and Directors may be inspected by any Delegate or Member, or his or her agent or attorney, and any First Mortgagee of a Member for any proper purpose. The right of inspection shall be subject to any reasonable rules adopted by the Board of Directors requiring advance notice of inspection, specifying hours and days of the week during which inspection will be permitted and establishing reasonable fees for any copies to be made or furnished.

11.4 **Audited Annual Report.** The Board of Directors shall cause to be prepared and distributed to each Member and to each First Mortgagee who has filed a written request therefor, not later than 90 days after the close of each fiscal year of the Community Association, an annual report of the Community Association containing (a) an income statement reflecting income and expenditures of the Community Association for such fiscal year; (b) a balance sheet as of the end of such fiscal year; (c) a statement of changes in financial position for such fiscal year; and (d) a statement of the place of the principal office of the Community Association where the books and records of the Association, including a list of names and addresses of current Members, may be found. The financial statements of the Community Association shall be audited by an independent public

accountant and a report based upon such audit shall be included in the annual report.

11.5 **Statement of Account.** Upon payment of a reasonable fee to be determined by the Community Association and upon written request of an Owner of a Privately Owned Site or any person with any right, title or interest in a Privately Owned Site or intending to acquire any right, title or interest in a Privately Owned Site, the Community Association shall furnish a written statement of account setting forth the amount of any unpaid assessments, or other amounts, if any, due or accrued and then unpaid with respect to the Privately Owned Site, the Owner of the Privately Owned Site, and Related Users of such Owner and the amount of the assessments for the current fiscal period of the Community Association payable with respect to the Privately Owned Site. Such statement shall, with respect to the party to whom it is issued, be conclusive against the Community Association and all parties, for all purposes, that no greater or other amounts were then due or accrued and unpaid and that no other assessments have then been levied.

11.6 **Biennial Corporate Reports.** The Community Association shall file with the Secretary of State of Colorado, within the time prescribed by law, biennial Corporate reports on the forms prescribed and furnished by the Secretary of State and containing the information required by law and shall pay the fee for such filing as prescribed by law.

11.7 **Fiscal Year.** The fiscal year of the Community Association shall begin on January 1 and end the succeeding December 31 except that the first fiscal year shall begin on the date of incorporation. The fiscal year may be changed by the Board of Directors without amending these Bylaws.

11.8 **Seal.** The Board of Directors may adopt a seal which shall have inscribed thereon the name of the Community Association and the words "SEAL" and "COLORADO".

11.9 **Shares of Stock and Dividends Prohibited.** The Community Association shall not have or issue shares of stock and no dividend shall be paid and no part of the income or profit of the Association shall be distributed to its Members directors or officers.

Notwithstanding the foregoing paragraph, the Community Association may issue certificates evidencing membership therein, may confer benefits upon its Members in conformity with its purposes and, upon dissolution or final liquidation, may make distributions as permitted by law, and no such payment, benefit or distribution shall be deemed to be a dividend or distribution of income or profit.

11.10 **Loans to Directors, Officers and Delegates Prohibited.** No loan shall be made by the Community Association to its Delegates, Directors or Officers and any Director, Officer or Delegate who assents to or participates in the making of any such loan shall be liable to the Community Association for the amount of such loan until the repayment thereof.

11.11 **Limited Liability.** As provided in the Community Declaration, the

Community Association, the Board of Directors, the Architectural Control Committee, Declarant, any Delegate and any member, agent or employee of any of the same, shall not be liable to any Person for any action or for any failure to act if the action taken or failure to act was in good faith and without malice.

11.12 **Special Right of First Mortgagees.** Any First Mortgagee of a Mortgage encumbering any Privately Owned Site in the Community Association Area, upon filing a written request therefor with the Community Association, shall be entitled to (a) receive written notice from the Community Association of any default by the Mortgagor of such Privately Owned Site in the performance of the Mortgagor's obligations under this Community Declaration, the Articles of Incorporation, the Bylaws or Rules and Regulations, which default is not cured within 60 days after the Community Association learns of such default; (b) examine the books and records of the Community Association during normal business hours; (c) receive a copy of financial statements of the Community Association including any annual audited financial statement within 90 days following the end of any fiscal year of the Community Association; (d) receive written notice of all meetings of Delegates or Delegate Districts; (e) designate a representative to attend any meeting of Delegates or of Delegate Districts; (f) receive written notice of abandonment or termination of the Community Declaration; (g) receive 30 days written notice prior to the effective date of any proposed, material amendment to the Community Declaration, the Articles of Incorporation or the Bylaws; (h) receive 30 days written notice prior to the effective date of termination of any agreement for professional management of the Community Association or the Community Association Properties following a decision of the Community Association to assume self-management of the Community Association Properties; and (i) receive immediate written notice as soon as the Community Association receives notice or otherwise learns of any damage to the Community Association Properties if the cost of reconstruction exceeds \$10,000 and as soon as the Community Association receives notice or otherwise learns of any condemnation or eminent domain proceedings or other proposed acquisition with respect to any portion of the Community Association Properties.

11.13 **Minutes and Presumptions Thereunder.** Minutes or any similar record of the meetings of Members in a Delegate District, of Delegates, or of the Board of Directors, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

11.14 **Record of Mortgagees.** Under the Community Declaration, First Mortgagees have rights, under certain circumstances to approve amendments to the Community Declaration. Therefore, any such First Mortgage or, upon the failure of such First Mortgagee, any Member who has created or granted a First Mortgage, shall give written to the Community Association, through its Manager, or through the Secretary in the event there is no Manager, which notice shall give the name and address of the First Mortgagee and describe the Privately Owned Site encumbered by the First Mortgage. The Community Association shall maintain such information in a book entitled "Record of First

Mortgages on Privately Owned Sites.” Any such First Mortgagee or such Member shall likewise give written notice to the Community Association at the time of release or discharge of any such First Mortgage.

11.15 **Checks, Drafts and Documents.** All checks, drafts or other orders for payment or money, notes or other evidences of indebtedness, issued in the name of or payable to the Community Association, shall be signed or endorsed by such person or persons, and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

11.16 **Execution of Documents.** The Board of Directors, except as these Bylaws otherwise provide, may authorize any officer or officers, agent. Or agents, to enter into any contract or execute any instrument in the name and on behalf of the Community Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Community Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or in any amount.

XII Deleted.

XIII. Community Involvement Process for Backcountry Development Proposals.

13.1 **Purpose--authority.** The following process is adopted pursuant to Section 4.7 of the Community Declaration and is to govern the submission, review and approval or rejection of any Improvement, Improvement to Property or other development proposed for or within that Community Association property of approximately 7,235 acres commonly known and referred to as the Backcountry or Backcountry Wilderness Area.

13.2 **Applicability--submission and review process.** Unless exempted as provided for under this article, any and all Improvements, Improvements to Property, or similar development proposed for the Backcountry shall be subject to the following application and review procedures:

(a) **Application.** All proposals, including proposals sponsored by the Community Association, shall be submitted to the Community Association staff for initial application compliance review and the payment of any fee; except that no fee shall be assessed for proposals submitted by the Community Association itself. Applications shall be made in Writing and supported by drawings, plans and/or other specifications necessary to provide a reasonable description of the Improvement or Improvement to Property being proposed. Incomplete or insufficient applications shall be returned to the applicant for correction and resubmittal. Applications may be submitted on a form or forms created for such purpose by the Community Association.

(b) **Compliance review.** Fully compliant applications shall be reviewed by the Community Association staff for recommendation within thirty (30) days from the date of application. Proposals determined to be consistent with uses and/or structures permitted

within the Backcountry shall be forwarded to the Board of Directors.

(c) Initial review. The Board of Directors shall timely review and thereafter accept or reject an application for further processing, at a regular or special meeting. Rejection of an application by the Board shall terminate the review and approval process. An application accepted for further review and processing shall be forwarded to the Community Association Delegates for review at their first reasonably regular or special meeting. The proposal shall be presented to the Delegates by the applicant. Additional input may be made available by the Community Association staff. A determination by the Delegates to reject the proposal shall terminate the application review and approval process.

(d) Community hearing. After an initial approval of a proposal application by the Delegates, the application shall be presented to the Members of the Community Association for review, discussion and input at not less than one noticed public hearing. The proposal shall be presented by the applicant. Notice of the date, time, place and subject matter of the hearing shall be provided to Members not less than ten (10) days prior thereto by any reasonably effective means, including, without limitation, physical posting in conspicuous locations at the community recreation centers, electronic postings on the Community Association's web site, and/or electronic or regular mail. The hearing shall be presided over by the Chairperson for the Board Directors.

(e) Final review. Upon conclusion of a public hearing at which Members were provided the opportunity to comment thereon, an application shall be referred back to the Delegates at their next reasonably available regular or special meeting for final review. The proposal shall be presented to the Delegates by the applicant. Additional input may be made available by the Community Association staff. Notwithstanding any previous initial approval, a determination by the Delegates to reject the proposal shall terminate the application review and approval process. Should the Delegates approve the application, it shall be forwarded to the Board of Directors for its final review at its next reasonably available regular or special meeting. Notwithstanding any previous initial approval, a rejection of the application by the Board shall terminate the review and approval process. A final approval of the application shall authorize the applicant to commence the Douglas County land use review and approval process applicable to the proposal under the terms and conditions of those documents governing development within the Backcountry if not previously initiated.

13.3 Exemptions. Notwithstanding any other provision within this article, the following types of development or improvements shall be exempt from the application, review and approval process:

(a) Permanent one-story structures less than four hundred (400) square feet in total enclosed floor or covered area.

(b) Temporary or seasonal structures without permanent foundations utilized exclusively for time-limited special events or seasonal programming.

(c) Unpaved pedestrian, equestrian or bike trails, trail signs and/or benches; but excluding bike parks, jumps or BMX courses.

(d) Grading, graveling or paving an area five-thousand (5,000) square feet or less, but excluding new permanent roads.

(e) The installation, maintenance or removal of livestock fencing, corrals, feeding/watering tanks, or similar livestock support or control structures.

(f) Tree or other vegetation planting or removal, inclusive of grading associated with terrain restoration or drainage improvements.

(g) The restoration or rehabilitation of a designated historic structure.

(h) Maintenance or repair of existing structures and/or utility easements, roads or trails, inclusive of graveling and grading, and the installation/creation of temporary unpaved access roads associated with the maintenance or repair of existing structures or easements.

(i) Easements for buried utility lines, systems and facilities.

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting Secretary for the HIGHLANDS RANCH COMMUNITY ASSOCIATION, INC., a Colorado corporation (“Community Association”); and

2. The foregoing Second Amended and Restated Bylaws constitute the Bylaws of the Community as amended and adopted at the meetings of the Delegates of the Community Association duly held on September ___, 2023 and November ___ 2023.

Kurt Huffman