

**AMENDED AND RESTATED BYLAWS  
OF  
CRESTED BUTTE SOUTH PROPERTY OWNERS ASSOCIATION**

**ARTICLE I  
Function**

1.1 Purposes and Objects. The purpose for which this nonprofit corporation is formed is to:

1.1.1 Govern Crested Butte South Property Owners Association in accordance with the terms and conditions of the Covenants and Restrictions of Crested Butte South and the Articles of Incorporation and Bylaws of this corporation.

1.2 Compliance. All present or future owners, tenants, future tenants or any other person who might use the facilities of Crested Butte South in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of Units, Lots, or Commercial Lots or Units located within Crested Butte South or the mere act of occupancy of such Units will signify that these Bylaws are accepted, ratified and will be complied with.

**ARTICLE II  
Membership**

2.1 Automatic Membership. The owner of a Unit or Lot, upon becoming such owner, shall be entitled and required to be a member of the Association and shall remain a member for the period of his or her ownership.

2.2 One Membership. There shall be one membership in the Association for each Unit or Lot. Such membership shall be appurtenant to the Unit or Lot and shall be transferred automatically by a conveyance of that Unit or Lot to any new owner. Each membership shall be entitled to one vote, and in the event the membership is held by more than one owner, the vote must be cast only as a single vote and split or divided votes of membership shall not be allowed.

2.3 Transfer. No person other than an owner of a Unit or Lot may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the Unit or Lot; provided, however, that such membership may be assigned to the holder of a mortgage or Deed of Trust as further security for the loan secured by the lien of the mortgage holder upon the Unit or Lot.

2.4 Person. The term "person" for the purpose of membership shall include a corporation, partnership, limited liability company, trust, joint venture or other legal entity that has valid title to any Unit or Lot. Any officer, director, shareholder, partner, or trustee of such entity may exercise the membership rights of the entity and shall further be

entitled to serve on the board of directors and as an officer of the Association.

2.5 Termination. Such membership shall terminate without any formal corporate action whenever such person ceases to own a Unit or Lot, but such termination shall not relieve or release any such former Unit or Lot owner from any liability or obligation incurred under or in any way connected with Crested Butte South during the period of such ownership and membership in this Association, or impair any rights or remedies which the board of directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

2.6 Associate Members. An Associate Membership may be obtained by application to the Board of Directors upon such form as may be prescribed thereby. An Associate Member shall not have voting privileges and is required to abide by all the rules, regulations and policies of the Association as the same apply to its regular members.

2.6.1 Dues for associate memberships shall be as prescribed from time to time by the Board of Directors.

2.6.2 Applications for Associate Memberships shall be examined by the Board of Directors and may be accepted or rejected in the sole discretion of the Board.

2.6.3 Associate Members in good standing shall be entitled to the use of all corporate facilities and may attend all Association functions.

**ARTICLE III  
Meetings**

3.1 Annual Meetings. The annual meeting of the membership shall be held in the month of August of each year, at a time and place set forth in the notice of said meeting. At the annual meeting the membership shall elect the board of directors and transact such other business as may properly come before it. Board Member elections shall be done through secret ballots.

3.2 Special Meetings. Special meetings may be called at any time by the board of directors, the president, or upon a written request signed by at least ten members. No business shall be transacted at a special meeting except as stated in the notice unless by consent of three-fourths of the owners present, either in person or by proxy.

3.3 Notice of Meeting. Notice of the date, place and time of the annual meeting, or any special meeting, shall be physically posted at the office of the Association located at 61 Teocalli Road, Crested Butte, Colorado 81224 and given to each member either by delivering such notice to the member personally, by mailing the same to him or her by United States mail, AND by mailing the same to him or her through electronic mail, if an electronic mail address is provided to the Association, which notice shall be given not less than ten (10) nor more than fifty (50) days prior to the date of the meeting. When 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 membership register of the Association, with postage prepaid thereon.

A member may waive notice of any meeting.

3.4 Quorum. Ten percent of the members of the Association in good standing and in actual attendance in person or by proxy at any annual or special meeting of the Association shall constitute a quorum at such meeting for the purpose of transacting business. If a quorum is present, the affirmative vote of a majority of the members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, unless the vote of a greater number is required by the Articles of Incorporation, the laws of the State of Colorado or the Covenants and Restrictions of Crested Butte South.

If a quorum is not present, the presiding officer may adjourn the meeting to a day and hour fixed by him at which a quorum will be present. Notice of the time, place and date of any meeting adjourned for lack of a quorum need not be sent to the members.

3.5 Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Association or the Manager of the Association before or at the time of the meeting. No proxy shall be valid after eleven months from the date of this execution unless otherwise provided in the proxy. A proxy can be rejected if the secretary and/or Manager have a reasonable and good faith basis to doubt the signature's validity.

3.6 Order of Business. The order of business at the annual meeting, and as applicable at any special meeting, shall generally be as follows:

- 3.6.1 Proof of notice of meeting
- 3.6.2 Reading and approval of any unapproved minutes
- 3.6.3 Reports of officers and committees
- 3.6.4 Introduction of new directors
- 3.6.5 Unfinished business

- 3.6.6 New Business
- 3.6.7 Adjournment

3.7 Majority of Members. The term "majority of members" shall mean the owners of more than fifty percent of the Units and Lots present in person or by proxy and entitled to vote.

3.8 Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of members may be taken without a meeting if the nonprofit corporation delivers a written ballot to every member entitled to vote on the matter.

#### **ARTICLE IV Board of Directors**

4.1 Number of Directors. The number of directors shall be no less than five (5). The number of directors may be increased to no more than seven by a majority vote of the board of directors or members.

4.2 Powers and Duties. The board of directors shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties shall include, but shall not be limited to, the following:

4.2.1 Exercising all power, duty and authority vested in or delegated to the board of directors under the Articles of Incorporation and Bylaws of the Association.

4.2.2 Exercising all power, duty and authority vested in or delegated to the board of directors under the Covenants and Restrictions of Crested Butte South.

4.2.3 To appoint an Architectural Review Committee for Crested Butte South in accordance with the Covenants and Restrictions of Crested Butte South.

4.2.4 To appoint such Sub-Committees as it may deem advisable and expend such monies as necessary to fund such committees within such limits as provided herein.

4.2.4.1 Each Sub-Committee created by the Board may have at least one *ex officio* member of the Board.

4.2.4.2 Sub-Committee vacancies shall be filled by appointment by the President of the Board.

4.2.4.3 Upon creation of a Sub-Committee, the Board shall cause to be promulgated an organization charge and basic rules and regulations specifying scope of the duties and responsibilities of such Sub-Committee.

4.2.4.4 The Board may disband any Sub-Committee when its continued existence is determined to be without utility or benefit to the members of the Association.

4.2.5 Fixing, collecting and enforcing all assessments as provided for in the protective covenants of the Units and Lots.

4.2.6 Exercising any and all powers granted to the Association by the Colorado Nonprofit Corporation Act and those portions of the Colorado Common Interest Ownership Act ("CCIOA") applicable to pre-CCIOA common interest communities, as the same now exists or may hereafter be amended from time to time.

4.2.7 Exercising any other power permissible under applicable Colorado law.

4.2.8 Commencing and maintaining, in its own name, on its own behalf, or in the names and on behalf of Unit and Lot owners who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of the Rules and Regulations of the Association.

4.3 Conflict of Interest. Directors should be alert and sensitive to any interest they may have that might be considered to conflict with the best interests of the Association.

4.3.1 if any contract, decision, or other action taken by or on behalf of the board of directors would financially benefit any member of the board of directors or any person who is a parent, grandparent, spouse, child, or sibling of a member of the board of directors or a parent or spouse of any of those persons, that member of the board of directors shall declare a conflict of interest for that issue. The member shall declare the conflict in an open meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue.

4.4 Tenure. Each director shall hold office for a term of two years from the date of his election and until his successor shall have been elected and qualified to office, subject only to the provisions of Section 4.5.

4.5 Qualifications. All directors shall be members of the Association and in good standing.

4.6 Term of Office. Directors shall be elected at each annual meeting and shall serve for a term of two years; provided, however, that at the organizational meeting of the board of directors, at least one director shall be elected for a term of three years, at least one director shall be elected for a term of two years, and the remaining directors if any shall be elected for a term of one year. Thereafter a director shall

be elected for a term of three years to fill the vacancy of a director whose term expires.

4.7 Elections. Elections for the board of directors shall be by secret ballot, with the person receiving the highest number of ballots cast for such director vacancy being declared elected. Ballots shall be counted by a neutral third party or by a unit or lot owner who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such unit or lot owners.

4.7.1 A ballot shall be prepared showing all applicants for positions on the Board of Directors and mailed together with copies of the applications to each member along with the notice of the annual meeting. Each member in good standing shall be allowed to have one vote for each annual maintenance charge assessed against each member which has been paid according to the records of the Association.

4.8 Vacancies. The board of directors is empowered to fill any vacancy that may occur in its own body, or among the officers of the Association, and the person so appointed to such office shall hold that office until the expiration of the term of the person he or she succeeds.

4.9 Compensation. No director shall be entitled to receive any compensation as a director of the Association; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as a director.

4.10 Chairman and Secretary-Treasurer. The president of the Association shall be the chairman of the board of directors and the secretary-treasurer of the Association shall be the secretary-treasurer of the board of directors.

4.11 Regular Meetings. The regular meeting of the board of directors shall be held without other notice than this Bylaw immediately after the annual meeting and at the offices of the Association. Additional regular meetings shall be held monthly at a time and place to be designated in the notice of such meetings.

4.12 Special Meetings. Special meetings of the board of directors may be called by the president or any two directors. Any special meeting shall be held at a time and place designated in the notice of such meeting.

4.13 Telephonic Meetings. All members of the board of directors may participate in a meeting of the board by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

4.14 Action Without Meeting. Any action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if notice is transmitted in writing to each member of the board by the time stated in the notice votes in writing for such action; or votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and fails to demand in writing that action not be taken without a meeting.

4.15 Proxy Voting by Directors. A director may be deemed to be present at a meeting and to vote if the director has granted a signed written proxy to another director who is present at the meeting, authorizing the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in these Bylaws, directors may not vote or otherwise act by proxy.

4.16 Quorum. A majority of the board of directors, as provided in Section 4.1, shall constitute a quorum for the transaction of business at any meeting of the board of directors. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number of directors is required by the Articles of Incorporation, the statutes of the State of Colorado, or the Covenants of Crested Butte South.

4.17 Notice. Notice of any meeting of the board of directors shall be given at least three days prior thereto by written notice delivered personally to a director or mailed to each director by United States mail at his address as shown on the membership roll of the Association. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the expressed purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the board of directors must be specified in a waiver of notice of such meeting.

4.18 Removal. A majority of the Members present and voting, in person or by proxy, at a duly constituted meeting of the Members may remove any director for cause, provided that such person is served with notice of removal, specifying the cause therefor and providing a hearing, at which time such person may appear to dispute the charges supporting his or her removal. "Cause" for removal shall include chronic absence from meetings of the Board, as well as acts of specific misconduct.

Once a director or officer is removed for cause, he or she shall be ineligible to serve upon the Board until reelected at

a regular election of the Association, held for the purpose of electing directors.

## **ARTICLE V** **Officers**

5.1 Number. The officers of the Association shall be a president, secretary and treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of directors. Any two or more offices may be held by the same person, except that the office of president and secretary may not be held by the same person.

5.2 Tenure. The officers set forth in this Article shall be elected at the next regular meeting of the Board of Directors following the annual meeting of members and shall hold office until the next annual meeting of the board of directors and until their successors have been elected and qualified.

5.3 Qualifications. The president, and secretary-treasurer shall be members of the board of directors. Any additional officers elected or appointed by the board of directors need not be members of the board of directors of the Association.

5.4 Election. The officers of the Association shall be elected by the board of directors by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

5.5 Vacancy. A vacancy in any office because of the death, resignation, removal, disqualification or inability to act shall be filled by the board of directors for the unexpired portion of the term of that office.

5.6 President. The president shall be the principal executive officer of the Association and, subject to the control of the board of directors, shall in general supervise and control all of the business and affairs of the Association. He or she shall, when present, preside at all meetings of the members and of the board of directors. He or she may sign, with the secretary or any other proper officer of the Association thereunto authorized by the board of directors, deeds, mortgages, contracts or other instruments, and in general, shall perform all duties incident to the office of the president and such other duties as may be prescribed by the board of directors from time to time.

5.7 Vice President. In the absence of the president, or in the event of his or her death or inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all of the powers of the president and be subject to all the restrictions upon the

president and shall perform such other duties as from time to time may be assigned to him or her by the president.

5.8 Secretary. The secretary shall: (a) ensure that minutes are taken at all member meetings and board of directors' meetings; (b) provide oversight and ensure that all notices are duly given in accordance with the provisions of these Bylaws; (c) work in conjunction with the Association Manager as the custodian of corporate records; and (d) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

5.9 Treasurer. The treasurer shall: (a) provide oversight of monthly deposits, checks, withdrawals and balances of all association bank accounts; (b) provide leadership and oversight of annual expense and income budgets including annual capital budgets; and (c) monitor monthly budget-to-actual performance and recommend measures to ensure that the annual budget goals are achieved and that the Association operates in a fiscally sound and sustainable manner. In general, perform duties assigned by the President or the Board of Directors.

5.10 Salaries. Officers of the Association shall not receive salary or compensation for their services in such offices.

5.11 Removal. Any officer may be removed by the board of directors whenever, in the board's judgment, the best interests of the Association would be served thereby. Such removal can be accomplished at any special meeting of the board of directors called in accordance with the requirements of Article IV. Such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

## **ARTICLE VI**

### **Distribution and Maintenance of the Records**

6.1 Accounting. The Association shall maintain accounting records using generally accepted accounting principles

6.2 Budget. Within ninety days after adoption of any proposed budget, the board of directors shall cause the budget to be posted on the Association website.

6.2.1 The budget does not require approval by the unit and lot owners.

6.3 Record Retention. The association shall keep as permanent records minutes of all meetings of unit and lot owners and the board of directors, a record of all actions taken by the unit and lot owners or board of directors by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the association, and a record of all waivers of notices of meetings of unit and

lot owners and of board of directors or any committee of the board of directors.

6.3.1 Maintain a record of unit and lot owners in a form that permits preparation of a list of the names and addresses of all unit and lot owners, showing the number of votes each unit and lot owner is entitled to vote.

6.3.2 Maintain copies of all documents listed in section 6.4.

6.4 Inspection and copying of the records. All financial and other records shall be made reasonably available for examination and copying by any unit owner and such owner's authorized agents.

6.4.1 The association will have copies of the following at principal office for inspection by the Unit and Lot Owners:

6.4.1.1 Articles of Incorporation;

6.4.1.2 The protective covenants;

6.4.1.3 The Bylaws;

6.4.1.4 Resolutions adopted by its board of directors relating to the characteristics, qualifications, rights, limitations, and obligations of Unit and Lot owners or any class or category of Unit or Lot owners;

6.4.1.5 The minutes of all Unit and Lot owners' meetings, and records of all action taken by Unit and Lot owners without a meeting, for the past three years;

6.4.1.6 A list of names and business or home addresses of its current directors and officers;

6.4.1.7 Its most recent annual report, if any; and

6.4.1.8 All financial audits or review conducted during the immediately preceding three (3) years.

6.4.2 Additional Records. For inspection and copies of any other records a written request which describes with reasonable particularity the records sought and the purpose of the request must be delivered to the Association;

6.4.3 If the request is made in good faith and for a proper purpose and the records are relevant to that purpose then the Association shall provide a copy of those records within fifteen days of such request.

6.4.4 The association may charge a fee, not to exceed the Association's cost per page.

## **ARTICLE VII**

### **Contracts, Loans, Checks and Deposits**

7.1 Contracts. The board of directors may authorize by resolution any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

7.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

7.3 Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association, and up to the amount of \$3,500.00 shall be signed by the Association Manager. Checks, drafts or orders for payment greater than \$3,500.00 will be signed by the president, and in the absence of the president, the treasurer.

7.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the board of directors may elect.

## **ARTICLE VIII**

### **Fiscal Year**

The fiscal year of the Association shall begin on the 1st day of January and terminate on the 31st day of December of each year.

## **ARTICLE IX**

### **Seal**

The board of directors may, by resolution, provide a corporate seal that shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation and the word, "SEAL".

## **ARTICLE X**

### **Waiver of Notice**

Whenever any notice is required to be given to any member or director of the Association under the provisions of these Bylaws or under the provisions of the laws of the State of Colorado, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the

time stated therein, shall be deemed equivalent to the giving of such notice.

## **ARTICLE XI**

### **Indemnification of Officers and Directors**

The Association shall indemnify every officer or director and their heirs, executors and administrators against all loss, costs and expense, including attorney fees, reasonably incurred by them in connection with any action, suit or proceeding to which they may be made a party by reason of their being or having been an officer or director of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the persons to be indemnified have not been guilty of gross negligence or willful misconduct in the performance of their duties as such officer or director in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or director may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article shall be deemed to obligate the Association to indemnify any member who is or has been an officer or director of the Association with respect to any duties or obligations assumed or liabilities incurred by them under and by virtue of the Covenants and Restrictions of Crested Butte South as an individual owner of a Lot or Unit covered hereby and not as a director of the Association.

## **ARTICLE XII**

### **Obligation of the Unit and Lot Owners**

12.1 Assessments. Except as is otherwise provided in the Covenants and Restrictions of Crested Butte South, all Unit and Lot owners and Associate Members shall be obligated to pay the regular and any special assessments imposed by the Association to meet the common expenses of the Association as set forth in the Covenants. A member in good standing is entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these Bylaws. The Association shall have the authority to impose liens for nonpayment as set forth in the Covenants and Restrictions of Crested Butte South and those portions of the Colorado Common Interest Ownership Act ("CCIOA") that apply to pre-CCIOA communities.

12.1.1 Suspension of Privileges. Any member who fails to pay his or her annual or special Assessments shall

not be entitled to use Association property or facilities. Associate members shall pay their dues upon approval or renewal of their membership. Members or Associate members who are not in good standing and use or attempt to use Association property or facilities shall be subject to sanctions under these Bylaws and prosecution under the applicable laws concerning trespass. Associate Members using facilities without having paid their annual or special assessments or dues shall be subject to permanent revocation of privileges.

12.2 Rules and Regulations. The board of directors shall have the power to establish, make and enforce compliance with such rules and regulations as may be necessary for the operation, use and occupancy of Crested Butte South with the right to amend the same from time to time.

**ARTICLE XIII**  
**Amendments**

These Bylaws may be altered, amended or repealed and new bylaws adopted by the board of directors at any regular meeting upon an affirmative vote of not less than two-thirds of the entire membership of the board of directors.

I hereby certify that the above and foregoing Bylaws were adopted on \_\_\_\_\_, 2014

\_\_\_\_\_  
Secretary