

BYLAWS  
OF  
CHADLINGTON HOUSE CONDOMINIUM ASSOCIATION

ARTICLE I.

Purposes and Objects.

Section 1. Purposes and Objects. The purpose for which this non-profit corporation is formed is to govern Chadlington House, a condominium project, situated in Gunnison County, Colorado, in accordance with the terms and conditions of the Amended Condominium Declaration for Chadlington House, a condominium project, the Articles of Incorporation and the Bylaws of this Corporation.

Section 2. Compliance. All present or future owners, tenants, future tenants or any other person who might use the facilities of the project in any manner, are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the condominium units of that project or the mere act of occupancy of said units will signify that these Bylaws are accepted, ratified and will be complied with.

ARTICLE II.

Membership.

Section 1. Automatic Membership. The owner of a condominium unit, 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 ownership.

Section 2. One Membership. There shall be one membership in the Association for each condominium unit. That membership shall be appurtenant to the condominium unit and shall be transferred automatically by a conveyance of that condominium unit to any new owner. Each membership shall be entitled to one (1) vote, which vote shall be weighed as the sum of one (1) times the undivided fractional interest in the common elements of the unit to which the membership is appurtenant, and in the event that the membership is held by more than one owner, the vote may be cast only as a single unit and split or divided votes of membership shall not be allowed.

Section 3. Transfer. No person other than an owner may be a member of the Association and a membership may not be transferred except in connection with the conveyance or transfer of the condominium unit; provided, however, that such membership may be assigned to the holder of a mortgage as further security for the loan secured by the lien of the mortgage holder upon the condominium unit.

Section 4. Person. The term “person” for the purpose of membership shall include a corporation, partnership, trust, joint venture or other legal entity which has valid title to any condominium unit. Any officer, manager or partner of such entity may exercise the membership rights of the entity and shall further be entitled to serve on the board of managers and as an officer of the corporation.

Section 5. Termination. Such membership shall terminate without any formal corporate action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former unit from any liability or obligation incurred under or in any way connected with Chadlington House, a condominium project, during the period of such ownership and membership in this corporation, or impair any rights or remedies which the board of managers of the corporation 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.

### ARTICLE III.

#### Meetings.

Section 1. Annual Meeting. The annual meeting of the corporation shall be held on a Saturday in the Fall of each year at 2:00 p.m., commencing with the year 1984, unless otherwise fixed in the notice of such meeting. At the annual meeting the membership shall elect the board of managers and transact such other business as may properly come before it.

Section 2. Special Meetings. Special meetings may be called at any time by the board of managers or upon a petition signed by a majority of the 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.

Section 3. Notice of Meetings. Notice of the date, place and time of the annual meeting, or any special meeting, shall be given to each member either by delivering such notice to the member personally, or by mailing the same to him by United States mail, which notice shall be given not later than ten days prior to the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership register of the corporation, with postage prepaid thereon.

Section 4. Quorum. A majority of the members of the corporation in good standing and in actual attendance in person or by proxy at any annual or special meeting of the corporation shall constitute a quorum at such meeting for the purpose of transacting business. If a quorum be present, the affirmative vote of the 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 Condominium Declaration for Chadlington House, a condominium project.

Section 5. Voting of Proxies. At all meetings of the members, a member may vote by proxy executed in writing by the member or his duly authorized attorney in fact. Such proxy shall be filed with the secretary-treasurer of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy.

Section 6. Cumulative Voting. Cumulative voting for managers shall not be allowed.

Section 7. Order of Business. The order of business at the annual meeting and as applicable at any special meeting shall be as follows:

1. Roll Call,
2. Proof of notice and meeting,
3. Reading and approval of any unapproved minutes,
4. Reports of officers and committees,
5. Election of managers,
6. Unfinished business,
7. New business,
8. Adjournment.

Section 8. Majority of Members. The term “majority of members” shall mean the owners of more than fifty percent of the condominium units.

Section 9. Policy Regarding Conduct of Meetings.

1. Member Meetings. All meetings of the Association are open to every Member, or to any person designated by a Member in writing as the Member’s representative, and Members or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings; except that, for regular and special meetings of the Board, Members who are not Board members may not participate in any deliberation or discussion unless expressly so authorized by a vote of the majority of a quorum of the Board.

2. Member Participation at Member Meetings. The Board may place reasonable time restrictions on those persons speaking during the meeting of the Association but shall permit a Member or a Member’s designated representative to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

3. Attorney-Client Privilege. Upon the final resolution of any matter for which the Board received legal advice or that concerned pending or contemplated litigation, the Board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in any open meeting.

4. Board Meetings. All regular and special meetings of the Board, or any committee thereof, shall be open to attendance by all Members or to any person designated by a Member in writing. At an appropriate time determined by the Board, but before the Board votes on an issue under discussion, Members or their designated representatives shall be permitted to speak regarding that issue.

5. Member Participation at Board Meetings. The Board may place reasonable time restrictions on those persons speaking during the Board meeting but shall permit Members or their designated representatives to speak before the Board takes formal action on an item under discussion, in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

6. Agendas. The agenda for all meetings shall follow the order of business specified by the Association's Bylaws, and if none, in accordance with the order of business determined by the Board, which shall include a Member Open Forum during which any Member or Member's designated representative who wishes to speak will have the opportunity to do so, subject to the remaining provisions of this policy.

7. Open Forum Time. The Board shall have the right to determine the length of time of the Open Forum. The President or acting chair of the meeting may place reasonable limitations upon the time given to each member seeking to comment, to allow sufficient time for as many members as possible to comment within the time permitted. Unless otherwise determined by the President or acting chair, the time limit will be three minutes per member. Members will only be allowed to speak more than once during Open Forum at the discretion of the Board. No member may speak a second time until all members wishing to speak have had an opportunity to speak once.

8. Sign-Up Sheets. A sign-up sheet will be made available to members immediately prior to the meeting. Any Member wishing to comment at the ensuing meeting may add his/her name to the sign-up sheet. Members will be recognized for comment at the meeting in the same order as their names appear on the sign-up sheet. All Members wishing to comment who have not placed their names on the sign-up sheet will nonetheless be permitted to speak, time permitting. The President of the Board or acting chair shall, to the best of his/her ability, allocate time to each Member for comment so as to allow as many Members as possible to speak.

9. Recording of Meetings. Note taking is permitted, however, video or audio recording of all or any portion of any meeting by Members is prohibited.

10. Member Conduct. No Member is entitled to speak until recognized by the chair. There shall be no interruption of anyone who has been recognized by the chair, except by the chair. Specific time limits set for speakers shall be strictly observed. Personal attacks, whether physical or verbal, and offensive language will not be tolerated. All comments are to be directed to the chair and not other individual participants. All comments are to be restricted to the agenda item being discussed. Behave courteously.

11. Curtailment of Member Conduct. Should the President or acting chair determine that any Member has spoken for the allocated amount of time or longer, or determine that the Member is in violation of the provisions of this policy, the President or acting chair shall have the authority to instruct that member to yield the floor, and that member will be obligated to comply with the President's or acting chair's instruction.

12. Executive Session. Notwithstanding the foregoing, the Board or a committee thereof may hold an executive or closed door session and may restrict attendance to Board members and other persons specified by the Board, provided that any such executive or closed door session may only be held in accordance with the provisions and requirements of the Act, as amended from time to time, or other applicable law. The matters to be discussed at such an executive session are limited to:

- (a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) Review or discussion relating to any written or oral communication from legal counsel.

Prior to the time the members of the Board convene in executive session, the President or acting chair shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) above. No rule or regulation of the Board shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the Board goes back into regular session following an executive session.

13. Disruptive or Unruly Behavior. If a Member refuses to stop talking after his/her allotted time has ended, or otherwise disrupts the meeting, or is otherwise in violation of the provisions of this policy, the following procedure will be followed:

- (a) The President or acting chair will issue an oral warning that if the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- (b) If the Member continues to speak, disrupt the meeting, or otherwise act in violation of the provisions of this policy, the President or acting chair will call a recess and speak directly to the member, reiterating that either the meeting will be adjourned or law enforcement/security will be called to remove the individual.
- (c) If the Member still refuses to cooperate, the President or acting chair may choose whether to adjourn the meeting to another time or to call law enforcement/security.

14. Voting for the Board of Directors.

- (a) Contested elections of Board members, defined as elections in which there are more candidates than positions to be filled, shall be conducted by secret ballot. Each Member entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain no identifying information concerning the ballot holder. In the event a member holds a proxy for another member, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Member shall receive a secret ballot to cast the vote of the member who provided the proxy. The proxy shall be kept and retained by the Association.
- (b) Uncontested elections of Board members, defined as elections in which the number of candidates is equal to or less than the positions to be filled, and all other votes taken at a meeting of the members shall be taken in which method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot. Notwithstanding the above, uncontested elections of Board

members or other votes on matters affecting the community shall be by secret ballot at the discretion of the Board or upon the request of 20% of the members who are present at the meeting or represented by proxy.

- (c) Written ballots shall be counted by a neutral third party (excluding the Association's managing agent or legal counsel), or by a committee of volunteers. Such volunteers shall be members who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board or another persona presiding during that portion of the meeting. The volunteers shall not be Board members, and in the case of a contested election for a Board position, shall not be candidates.

#### ARTICLE IV.

##### Board of Managers.

Section 1. Number of Managers. The number of managers shall be three, which number shall include a president, vice-president and secretary-treasurer. Each manager shall hold office for three years.

Section 2. Powers and Duties. The board of managers shall have the powers and duties necessary for the administration of the affairs of the corporation and for the operation and maintenance of a condominium project. Such powers and duties shall include, but not be limited to, the following:

- (a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Colorado.
- (b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend the same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.
- (c) To keep in good order, condition, and repair all of the general and limited common elements and all items of personal property, if any, used in the enjoyment of the entire premises. Maintenance, repair, replacement, or improve of the general or common elements and personal property, if any, shall not require the prior

approval of the membership, except as required in the Condominium Declaration.

- (d) To insure and keep insured all of the insurable general common elements as provided in the Condominium Declaration.
- (e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises and by majority vote of the board of managers to adjust, decrease or increase the amount of the monthly assessments over expenses and cash reserves due the owners at the end of each operating year. To levy and collect special assessments whenever in the opinion of the board of managers it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws.
- (g) To protect and defend the entire premises from loss and damage by suit or otherwise.
- (h) To borrow funds in order to pay for any expenditure or outlay required and to execute all such instruments evidencing such indebtedness as the majority of owners by vote may deem necessary and such indebtedness shall be the several obligation of all the owners in the same proportion as their interest in the general common elements.
- (i) To enter into contracts within the scope of its duties and powers.
- (j) To establish a bank account for the common treasure and for all separate funds which are required or may be deemed advisable by the board of managers.
- (k) To maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant once a year.



- (l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.
  - (m) To meet at least semiannually.
  - (n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements, including the power to engage a managing agent and to delegate to such agent the powers of the board of managers to manage the Association on a day to day basis.
  - (o) In general, to carry on the administration of this corporation and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.
  - (p) To protect and ensure the safety of the assets and capital improvements of the Association and those volunteers who participate in the investment process and to further provide guidance to those who offer investment services to the Association including brokers/dealers, banks, consultants, savings institutions, and custodians.
1. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital, with the objective of mitigating credit risk and interest rate risk.
    - A. The Association will minimize credit risk, the risk of loss due to the failure of the financial institution by:
      - (1). Limiting investments to the safest types of investments as provided for herein:
  2. The Board of Directors shall review this reserve fund investment policy periodically and may amend the policy as conditions warrant. The Treasurer may recommend amendments to this policy as necessary.
  3. The officers and members of the Board of Directors shall make investment decisions in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Director or officer reasonably believes to be in the best interests of the Association in accordance with the Colorado Revised Nonprofit Corporation Act.

Section 3. Tenure. Each manager shall hold office for a term of three 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 Article III, Section 5.

Section 4. Qualification. The managers shall be members of the corporation.

Section 5. Term of Office. Managers shall be elected at each annual meeting and shall serve for a term of three years, as above provided. Provided, however, that at the organization meeting of the corporation, one manager shall be elected for a term of three years; one director shall be elected for a term of two years and one manager shall be elected for a term of one year. Thereafter, one manager shall be elected at each annual meeting to fill the vacancy of the manager whose term expires in that year.

Section 6. Elections. Elections for the board of managers shall be by ballot, either oral or written, with the persona receiving the highest number of ballots cast for such manager vacancy being declared elected.

Section 7. Vacancies. The board of managers is empowered to fill any vacancy that may occur in its own body, or among the officers of the corporation and the person so appointed to such office shall hold that office until the expiration of the term of the person he succeeds.

Section 8. Compensation. No manager shall be entitled to receive any compensation as a director of the corporation; provided, however, that he may be reimbursed for any actual expenses incurred in the performance of his duties as such manager.

Section 9. Chairman and Secretary. The president of the corporation shall be the chairman of the board of managers and the secretary of the corporation shall be the secretary of the board of managers.

Section 10. Regular Meetings. The regular annual meeting of the board of managers shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of the members of the corporation. Additional regular meetings shall be held quarterly at a time and place to be designated in the notice of said meeting.

Section 11. Special Meetings. Special Meetings of the board of managers may be called by the president or any two managers. Such special meeting shall be held at a time and place designated in the notice of such meeting.

Section 12. Quorum. A majority of the board of managers, as provided in Section 1 of this Article, shall constitute a quorum for the transaction of business at any meeting of the board of managers. 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 managers, unless the act of a greater number of managers is required by the Articles of Incorporation, the

statutes of the State of Colorado or the Condominium Declarations of Chadlington House, a condominium project.

Section 13. Notice. Notice of any regular quarterly meeting or any special meeting of the board of managers shall be given at least three days previous thereto by written notice delivered personally to a manager or mailed to each manager by United States mail at his address as show on the membership roll of the corporation. Any manager may waive notice of any meeting. The attendance of manager at a meeting shall constitute a waiver of notice of such meeting, except where a manager 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 managers need be specified in a notice of such meeting.

Section 14. Removal. Managers may only be removed at a meeting of the membership called in accordance with the requirements of Article III, Section 2 and 3 hereof. The entire board of managers or any lesser number may be removed, with or without cause, by a vote of a majority of the members present at such meeting in person or by proxy and in good standing.

Section 15. Director Conflict of Interest.

1. “Conflicting interest transaction” means a contract, transaction, or other financial relationship between the Association and a Director, or between the Association and a party related to a Director, or between the Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

“Director” means a member of the Association’s Board of Directors.

“Party related to a Director” means a spouse, a descendant, an ancestor, a sibling the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director is a director or officer or has a financial interest.

2. If any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child, or sibling of a Board member, or a parent or spouse of any of those persons, then, in advance of entering into that contract, making the decision or taking the action,

that interest Board member shall declare at an open meeting of the Board, that a conflict of interest exists and shall describe in detail all of the particular facts of the conflict of interest.

3. After the interested Board member makes such a declaration, the interest Board member may not participate in a discussion of the matter giving rise to the conflict of interest and may not vote on the issue giving rise to the conflict of interest.
4. The interested Board member may be counted as present when determining whether a quorum of the Board exists.
5. No conflicting interest transaction shall be violable by an Owner or on behalf of the Association if:
  - (a) The facts about the conflicting interest transaction are disclosed by the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;
  - (b) The facts about the conflicting interest transaction are disclosed or the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the owners entitled to vote on the matter or;
  - (c) The conflicting interest transaction is fair to the Association.

## ARTICLE V.

### Officers.

Section 1. Number. The officers of the corporation shall be a president, a vice president, a secretary and a treasurer. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board of managers. Any two or more offices may be held by the same person, except the offices of president and secretary.

Section 2. Tenure. The officers set forth in Section 1 of this Article shall be elected at the annual meeting of the board of managers of the corporation and shall hold office until the next annual meeting of the board of managers and until their successors have been elected and qualified.

Section 3. Qualifications. The officers, president, vice president, secretary and treasurer shall be members of the board of managers. Any additional officers elected or appointed by the board of managers need not be members of the board of managers of the corporation.

Section 4. Election. The officers of the corporation shall be elected by the board of managers by ballot, oral or written, with the person receiving the majority of the ballots cast for such office being declared elected.

Section 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 managers for the unexpired portion of the term of that office.

Section 6. President. The president shall be the principal executive officer of the corporation and, subject to the control of the board of managers, shall in general supervise and control all of the business and affairs of the corporation. He shall, when present, preside at all meetings of the members and of the board of managers. He may sign, with the secretary or any other proper officer of the corporation thereunto authorized by the board of managers, 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 managers from time to time.

Section 7. Vice President. In the absence of the president, or in the event of his 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 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 by the president and shall perform such other duties as from time to time may be assigned to him by the president or by the board of managers.

Section 8. Secretary. The secretary shall: (a) keep the minutes of the members' meetings and of the board of managers meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provision of these bylaws; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents, the execution of which on behalf of the corporation under its seal, is duly authorized 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 managers.

Section 9. Treasurer. The treasurer shall: (a) if required by the board of managers, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties, as the board of managers shall determine; (b) he

shall be responsible for all funds of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever; deposit all such monies in the name of the corporation in such banks as shall be selected in accordance with the provisions of Article VI of the bylaws; sign checks and drafts for the payment of corporate funds; and (c) in general, perform all of the duties as from time to time may be assigned to him by the president or by the board of managers.

Section 10. Salaries. Officers of the corporation may receive salary or compensation for their services in such office; if in the discretion of the board of managers, it is deemed necessary and reasonable.

## ARTICLE VI

### Contract, Loans, Checks and Deposits

Section 1. Contracts. The board of managers 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 corporation, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of managers. Such authority may be general or confined to specific instances.

Section 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 corporation shall be signed by any one of the following officers of the corporation:

President  
 Vice President  
 Secretary  
 Treasurer  
 Managing Agent of the Association

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of managers may elect.

## ARTICLE VII.

### Fiscal Year.

The fiscal year of the corporation shall begin on the first day of January and terminate on the thirty-first day of December of each year.

## ARTICLE VIII.

Seal.

The board of managers shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and the state of incorporation and the word, "SEAL."

## ARTICLE IX.

Indemnification of Officers and Managers.

The corporation shall indemnify every officer or manager, his heirs, executors and administrators, against all loss, costs and connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been an officer or manager of the corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence of 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 corporation is advised by counsel that the person to be indemnified has not been guilty of gross negligence of willful misconduct in the performance of his duties as such officer or manager in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such officer or manager may be entitled. All liability, loss, damage, costs and expenses incurred or suffered by the corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the corporation as common expenses; provided, however, that nothing in the Article shall be deemed to obligate the corporation to indemnify any member of owner of a condominium unit who is or has been an officer or manager of the corporation with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Amended Condominium Declaration for Chadlington House, a condominium project, as a member or owner of a condominium unit covered hereby.

## ARTICLE X.

Obligations of Owners.

Section 1. Assessments. Except as is otherwise provided in the Amended Condominium Declaration for Chadlington House, a condominium project, all owners shall be obligated to pay the monthly assessments imposed by the corporation to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual meeting or at a special meeting of members, within the meaning of these bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

Section 2. Adoption and Amendment of Policies.

- A. Pursuant to the Association's governing documents and Colorado Revised Statutes 38-33.3-302, the authority to create, adopt, enforce, amend and repeal policies, procedures, rules and regulations (hereinafter collectively referred to as a "Rule") lies with the Board of Directors of the Association.
- B. When the Board, in the exercise of its discretion, determines that a Rule should be adopted, amended or repealed, as appropriate, it shall do so either at a meeting of the Board or by written consent in lieu of a meeting, or by any other method authorized by the Association's governing documents or pursuant to Colorado law.
- C. The Board shall then give notice of the adoption, amendment, or repeal of the rule in writing by certified or registered mail, return receipt requested, to each Member of the Association at the address for notices to Members as provided for in the Association's Bylaws, and shall publish the Rule by any reasonable means available, including but not limited to posting the Rule in the community or on its website, if any, by email, mail, newsletter, or personal delivery. The Rule, along with all other Rules of the Association, shall be available for inspection and copying in accordance with the Association's policy regarding inspection and copying of Association records. The Board has the right, but not the obligation, prior to adopting any new Rule, to conduct an informational meeting of the owners and solicit their input regarding any new or existing Rule.
- D. Any owner's failure to receive the Rule shall not be a defense to any attempt by the Association to enforce the Rule or to levy fines, expenses, or attorneys' fees as a result of a violation of the Rule.



## ARTICLE XI

### Amendments.

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

## ARTICLE XII

### Recreational Facilities.

On the date of adoption hereof, there are no major recreational facilities owned or managed by the Chadlington House Condominium Association. In the event any major recreational facilities are hereafter acquired or managed by the Association, these bylaws shall be amended to provide to whom said facilities are available, and whether or not fees or charges, if any, in conjunction therewith, are included within or are in addition to the regular assessment of the Association.

## ARTICLE XIII

### Restraints on Alienation.

Neither the Amended Condominium Declaration for Chadlington House, a condominium project, nor the Articles of Incorporation of this corporation nor these Bylaws contain any restriction on or requirements concerning the sale or lease of a unit within Chadlington House, a condominium project.

## ARTICLE XIV

### Statement of Account.

Upon payment of such reasonable fee as the Association may establish, and upon the written request of any owner, prospective owner, or holder of a mortgage of a condominium unit, the Association shall issue a written statement setting for the amount of the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessments become due, including but not limited to insurance premiums, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement shall be complied with within ten days of such request, then such requesting party shall not be liable for, nor shall the unit if conveyed, be subject to any lien for any unpaid assessments against the subject unit. The provisions contained in this paragraph shall not apply upon the initial transfer of the unit by the Declarant.

## ARTICLE XV

Inspection of Records.

1. The Association shall keep as permanent records the following documents:
  - A. Minutes of all meetings of Owners and the Board.
  - B. A record of all actions taken by the Owners or the Board by written ballot or written consent in lieu of a meeting.
  - C. A record of all actions taken by a committee of the Board in place of the Board on behalf of the Association.
  - D. A record of all waivers of notices of meetings of Owners and of the Board or any committee of the Board.
  - E. A record of Owners in a form that permits preparation of a list of the names and addresses of all Owners, showing the number of votes each Owner is entitled to vote.

In addition to the above, the Association shall keep a copy of each of the following records at its principal office:

- A. Articles of incorporation, Covenants and Restrictions, and Bylaws.
- B. Resolutions adopted by the Board.
- C. The minutes of all Owners meetings and records of all actions taken by the Owners without a meeting for the past three (3) years.
- D. All written communications within the past three (3) years to Owners generally as Owners.
- E. A list of the names and business or home addresses of the Association's current directors and officers.
- F. The Association's most recent annual report.
- G. All financial audits or reviews conducted pursuant to Section 38-33.3-303(4)(b) during the immediately preceding three years.
- H. Any records required by law.

2. All records shall be inspected at the principal office of the Association located at 18 Crystal Rd., Mt Crested Butte, Colorado by appointment between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday or during the next regularly scheduled Owner or Board meeting occurring within 30 days of the owner's request, at the discretion of the Board.

3. The Association shall make the requested records available within five business days of the Owner's request or at the next regularly scheduled Owner or Board meeting occurring if the next regularly scheduled Owner or Board meeting is scheduled within thirty days of the Owner's request, in the sole discretion of the Board. The board shall advise the Owner of the Time and place of such inspection in writing within five business days of the Owner's request.

4. At the discretion of the Association's Manager, certain records may only be inspected in the presence of a Board member or employee of the Manager. No records may be removed from the office without the express written consent of the Board of Directors. Further, if a Member requests to inspect records, the Association may photocopy and provide the requested records if consented to by the Member.

5. The Association may charge a fee, not to exceed the Association's actual cost per page for copies of the Association records. This fee may be collected by the Association in advance.

6. Consistent with individual Member's right to privacy, attorney-client confidentiality and other considerations, the following records will not be made available without the express written consent of the Board of Directors:

- A. Confidential personnel records.
- B. Confidential litigation files and matters covering consultation with legal counsel concerning disputes that are subject of pending or imminent court proceedings or are privileged or confidential between attorney and client.
- C. Files dealing with investigative proceedings concerning possible or actual criminal misconduct.
- D. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- E. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board of Directors.

7. In determining whether records may be inspected, the Association shall consider, among other things:

- A. Whether the request is made in good faith and for a proper purpose
- B. Whether the records requested are relevant to the purpose of the request;
- C. Whether disclosure is for an illegal or improper purpose, or would violate a constitutional or statutory provision or public policy; and
- D. Whether disclosure may result in an invasion of personal privacy, breach of confidence or privileged information as set forth above.

8. Association records, including membership lists, shall not be used by any Owner for:

- A. Any purpose unrelated to an Owner's interest as an Owner;
- B. The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the owners in an election to be held by the Association;
- C. Any commercial purpose;
- D. For the purpose of giving, selling, or distributing such Association records to any person; or
- E. Any improper use as determined in the sole discretion of the Board.

9. The Association reserves the right to pursue any individual for damages or injunctive relief or both, including reasonable attorney fees, for abuse of these rights including but not limited to, use of any records for a purpose other than what is stated in the Notice of Intent to Inspect.

## ARTICLE XVI

### Assumed Obligations.

Upon conveyance of a unit to any unit owner, the same shall be subject to all unpaid assessment of the corporation thereon except as provided in Article XV hereof, and the same are deemed assumed by the unit owner upon conveyance thereof to him, together with any and all other liens and encumbrances placed thereon in accordance with applicable law.

## ARTICLE XVII

### Liens Upon Common Elements.

None of the provisions of the Amended Condominium Declaration, the Articles of Incorporation of this corporation or these Bylaws prevent the imposition of liens, including mechanic's liens, assessment liens, or tax liens upon the general or limited common elements within Chadlington House, a condominium project, in accordance with applicable law.

## ARTICLE XVIII

### Additions to Common Elements.

In the event of the construction of additions to either general or limited common elements within Chadlington House, a condominium project, including new recreational facilities, the same may increase the assessment payable by each unit owner. Such additions shall not alter or affect the appurtenant undivided ownership interest of each unit owner in the general and limited common elements, including new general and limited common elements, nor a unit owner's voting power in the corporation.

## ARTICLE XIX

### Procedure to Address Disputes Between Association and Owners.

1. Dispute Between the Association and Owner. In the event a dispute arises between the Association and an Owner with respect to any action taken by the Association with respect to such Owner, including a dispute regarding an activity of a guest of an Owner, the Owner may request, in writing, that the action be reviewed by a Review board. The Review Board may not, however, review any action taken with respect to the imposition or levy or any assessment against any Owner, which decision may only be contested by an Owner as otherwise provided by law. The written request shall be made to the Board of Directors within thirty days of the action complained of. The request for hearing shall describe the grounds and basis for challenging the alleged violation.

2. The Review Board. The Review Board shall consist of three Association members, none of whom shall be Board members. The Board of Directors shall choose one of the three Review Board members, the Owner shall choose one of the three Review Board members, and those two shall together choose a third member. In the event the two members cannot agree upon the third member, the two members shall flip a coin to determine who shall be the third person of the Review Board.

3. Hearing. The Review Board shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Review Board may grant continuances for good cause. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. Neither the complaining parties nor the Owner (or owner's

designee) must be in attendance at the hearing. Unless otherwise determined by the Review Board, all hearings shall be open to attendance by all members of the Association.

4. Decision. After all testimony and other evidence have been presented to the Review Board at a hearing, the Review Board shall render its written findings and decision, and determine whether the action complained of shall stand or be overturned. A decision, either a finding for or against the Owner, shall be by a majority of the members of the Review Board. Such decision is final, and may not thereafter be disputed by either side. However, the Association or the Owner may pursue any other remedy available at law.

5. Violations or Offenses that Constitute a Present Danger. Notwithstanding the provisions of this policy, if, in its sole discretion, the Board of Directors has deemed that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board of Directors may impose any appropriate sanction as necessary to abate the threat to health, safety or welfare of the community or individual, prior to permitting the Owner to avail him or herself of the procedures set forth herein.

6. Actions of the Board of Directors Regarding Assessments. The process set forth herein shall not apply to the imposition of assessments, late charges, or relate to any action taken by the Board of Directors with regard to assessments or special assessments.

Adopted \_\_\_\_\_, 1983.

\_\_\_\_\_  
Secretary