

**AMENDED AND RESTATED BYLAWS OF  
THE SHORES AT THE HIGHLANDS ASSOCIATION, INC.**

These are the Bylaws of The Shores at The Highlands Association, Inc., a Colorado nonprofit corporation (“**Association**”), which shall operate under the Colorado Revised Nonprofit Corporation Act (“**Nonprofit Act**”), and the Colorado Common Interest Ownership Act (“**Act**”). Except as otherwise provided herein, the definitions of capitalized terms herein shall be the same as provided in the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Shores at The Highlands (“**Declaration**”).

These Bylaws replace in their entirety any and all prior Bylaws of the Association.

**ARTICLE I  
BOARD OF DIRECTORS**

**A. Number and Qualification.**

1. The affairs of the Project and the Association shall be governed by the Board of Directors (“**Board**”), which comprises three (3) Persons, each serving a staggered three (3) year term. Directors shall be elected by the Owners and must be a Member in Good Standing. At any meeting at which a director is to be elected, the Owners may, by resolution, adopt specific procedures that are not inconsistent with these Bylaws, the Act or the Nonprofit Act for conducting the election. The Board may cause the election of a director and any other action that may be taken at a meeting of the Members to be taken electronically, by written ballot, or by such other methods as are permitted by the Act or the Nonprofit Act.
2. The Board shall appoint the officers in accordance with Article III, Section B below. The directors and officers shall take office upon appointment and/or election.
3. The Board shall serve without compensation.

**B. Powers and Duties.**

The Board shall have, in addition to those rights and powers established in the Declaration and subject to the limitations contained in the Declaration and the Act, the powers and duties necessary for the administration of the affairs of the Association and of the Project, including, but not limited to, the following powers and duties:

1. Adopt and amend Bylaws and Rules;
2. Adopt and amend Budgets for revenues, expenditures and reserves;
3. Levy and collect Assessments from Owners;
4. Hire and discharge Managing Agents;

5. Hire and discharge employees, independent contractors and agents;
6. Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Project Documents in the Association's name, or on behalf of the Association or two (2) or more Owners, on matters affecting the Project;
7. Make contracts and incur liabilities;
8. Regulate the use, maintenance, repair, replacement and modification of the Common Areas;
9. Cause additional improvements to be made as a part of the Common Areas;
10. Acquire, hold, encumber and convey, in the Association's name, any right, title or interest to real estate or personal property; but the Common Areas may be conveyed or subjected to a security interest only pursuant to §312 of the Act;
11. Grant easements for any period of time, including permanent easements, and grant leases, licenses and concessions through or over the Common Areas;
12. Impose and receive a payment, fee or charge for services provided to Owners and for the use, rental or operation of the Common Areas, other than Limited Common Areas described in §202(1)(b) and §202(1)(d) of the Act;
13. Impose a reasonable charge for the late payment of Assessments and, after Notice and Hearing, levy a reasonable Fine for a violation of the Project Documents;
14. Impose a reasonable charge for the preparation and recording of amendments to the Declaration or for statements of unpaid Assessments;
15. Provide for the indemnification of the Association's officers, directors and the Board and maintain directors' and officers' liability insurance;
16. Exercise any other powers conferred by the Declaration or these Bylaws;
17. Exercise any other power that may be exercised in the state by a legal entity of the same type as the Association;
18. Exercise any other power necessary and proper for the governance and operation of the Association; and
19. By resolution, establish committees of directors, permanent and standing, to perform any of the above functions under specifically delegated administrative standards as designated in the resolution establishing the committee.

All committees must maintain and publish minutes of their meetings for the Owners and the Board. Any committee's authority is both created and limited by its Board-approved charter or such other Board resolution establishing the committee. Any person appointed to preside over a committee shall meet the same qualifications as are required by the Project Documents for election or appointment to the Board.

**THE BOARD SHALL REGISTER THE ASSOCIATION ANNUALLY WITH THE DIRECTOR OF THE DIVISION OF REAL ESTATE AND PAY ANY FEE ASSOCIATED WITH SUCH REGISTRATION AS REQUIRED BY §401 OF THE ACT.**

C. Manager.

The Board may employ a Managing Agent for the Project, at a compensation established by the Board, to perform duties and services authorized by the Board. To the extent permitted by law, the Board may delegate its powers to the Managing Agent, but shall remain responsible for ensuring that such powers are properly exercised and duties fulfilled. Licenses, concessions and contracts may be executed by the Managing Agent and the Managing Agent may disburse funds of the Association as provided by specific resolutions of the Board and to fulfill the requirements of the Budget.

If the Board delegates powers relating to the collection, deposit, transfer or disbursement of Association funds to a Managing Agent or other Person(s), that Managing Agent or other Person(s) shall:

1. Maintain fidelity insurance coverage or a bond in an amount not less than the amount required pursuant to Colorado law or regulation, or in the absence of such law or regulation, the Declaration or Board resolution;
2. Maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Managing Agent or other person(s), and maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and
3. Cause to be prepared, by the Managing Agent, a public accountant or a certified public accountant, and present to the Association an annual accounting for Association funds and a financial statement.

D. Removal of Directors.

Owners, by a vote of sixty-seven percent (67%) of the votes at any meeting at which a quorum of Owners is present, may remove any director, with or without cause.

E. Vacancies.

Any vacancy occurring in the position of director (other than vacancies occurring as a result of the expiration of a director's term) may be filled by a vote of the remaining directors in

accordance with these Bylaws or may be filled by a vote of the Owners at a meeting called for such purpose. Any director filling a vacancy shall serve the remainder of the open position's term.

F. Regular Meetings.

The first regular and organizational meeting of the Board following each annual meeting of the Owners shall be held within ten (10) days after such annual meeting at a time and place set by the Board, and may occur immediately after the annual meeting. No notice shall be necessary to the newly elected directors to legally constitute such meeting, provided a quorum of directors is present. The Board may establish the format, location, and schedule of additional regular meetings by resolution, and no further notice is necessary to set regular meetings.

G. Special Meetings.

Special meetings of the Board may be called by the President or by a majority of directors on not less than three (3) business days notice to each director. The notice may be hand delivered, sent electronically by e-mail or text, sent prepaid by U.S. Mail, or transmitted in any other format permitted by applicable law and shall state the time, place and purpose of the meeting.

H. Location of Meetings.

All meetings of the Board shall be held at a location determined by the Board. In the event a meeting is held solely by electronic means, the "place" of the meeting shall be deemed the Association's principal place of business on file with the Colorado Secretary of State unless otherwise specified in the notice of the meeting.

I. Waiver of Notice.

Any director may waive notice of any meeting in writing, including by electronic writing. Attendance by a director at any meeting of the Board shall constitute a waiver of notice, unless the director's sole purpose in attending the meeting is to object to the form of notice. If all directors are present at any meeting, no notice shall be required, and any business may be transacted at such meeting.

J. Quorum of Directors.

At all meetings of the Board, a majority of directors currently on the Board shall constitute a quorum for the transaction of business, and the votes of a majority of directors present at a meeting at which a quorum is present shall constitute a decision of the Board. If, at any meeting, there shall be less than a quorum present, a majority of those present may adjourn the meeting and reconvene without further notice. At any adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

K. Consent to Corporate Action.

Any action required by law to be taken at a Board meeting, or any action which may be taken at a meeting of the Board, may be taken without a meeting if each director in writing (including by electronic means) either (1) votes for such action, or (2) votes against such action or abstains from voting and waives the right to demand that a meeting be held. Action is taken under this Article I, Section K only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all directors then in office were present and voted.

#### L. Telephonic and Electronic Meetings

A director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the director may be heard by the other members and may hear the deliberations of the other members on any matter properly brought before the Board. The director's vote shall be counted and their presence noted as if that director were present in person on that particular matter.

#### M. Proxy.

Voting at Board meetings by proxy is permitted; *provided, however*, that the proxy is dated, granted in writing (including by electronic means) to another director who attends the meeting, and is limited to a vote or votes directed to be cast with respect to a particular proposal or proposals described with reasonable specificity in the proxy. No general proxies are permitted for Board meetings, and a proxy for a Board meeting expires three (3) months after its date.

## ARTICLE II OWNERS/MEMBERS

#### A. Annual Meeting.

Annual meetings of the Owners shall be held at such date set forth in the notice of the meeting as determined by the Board. At these meetings, vacancies on the Board shall be filled and elected by ballot or acclamation of the Owners, in accordance with the provisions of Article I above. The Owners may transact other business as may properly come before them at these meetings.

#### B. Budget Meeting.

Meetings of the Owners to consider proposed Budgets shall be called in accordance with the Declaration and the Act. The annual Budget may be considered and ratified at annual meetings or special meetings called for other purposes as well.

#### C. Special Meetings.

Special meetings of the Owners may be called by the President, by a majority of directors, or by the Board in response to a request by Owners comprising at least twenty percent (20%) of the votes in the Association.

D. Place of Meetings.

Meetings of the Owners shall be held at a reasonable location determined by the Board at or proximate to the Project, or may be adjourned to a suitable place convenient to the Owners, as may be designated by the Board or by the President. Meetings of the Owners may be held by electronic or virtual means as long as meeting participants can hear each other during the meeting, and in such case the "place" of the meeting shall be deemed the Association's principal place of business on file with the Colorado Secretary of State unless otherwise specified in the notice of the meeting. All Owners participating in a meeting by electronic or virtual means shall be deemed present in person at the meeting.

E. Notice of Meetings.

1. The Secretary, Managing Agent, or other officer specified by the Board shall cause notice of meetings of the Owners to be hand delivered or sent prepaid by U.S. Mail to the mailing address designated in writing by the Owner of each Unit, not less than ten (10) nor more than fifty (50) days in advance of a meeting. No action shall be adopted at a meeting except as stated in the notice. In the event Colorado law permits notice to be provided solely by electronic means, the Association is entitled to provide notice in compliance with such law.

2. The Association may additionally provide notices and agendas in electronic form, by posting on a web site or otherwise, in addition to printed form. If such electronic means are available, the Association shall provide notice of all annual meetings and special meetings of the Owners by electronic mail to all Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four (24) hours before the meeting. In addition, notice of any meeting shall be physically posted in a conspicuous place, to the extent that such posting is feasible and practicable.

F. Waiver of Notice.

Any Owner may, at any time, waive notice of any meeting of the Owners in writing, and the waiver shall be deemed equivalent to the receipt of notice.

G. Adjournment of Meeting.

At any meeting of the Owners, a majority of Owners who are present at that meeting either in person or by proxy may adjourn the meeting to another time.

H. Order of Business.

The order of business at the annual meeting of the Owners shall be as determined by the Board, and in the absence of such determination, as follows:

1. Roll call (or check-in procedure);
2. Proof of notice of meeting;
3. Reading and approval of minutes of preceding meeting;
4. Reports;
5. Establish number and term of memberships of the Board (if required and noticed);
6. Election of directors of the Board (when required);
7. Ratification of Budget (if required and noticed);
8. Unfinished business; and
9. New business.

#### I. Voting.

1. If only one (1) of several Owners of a Unit is present at a meeting of the Owners, the Owner present is entitled to cast the vote(s) allocated to the Unit. If more than one (1) of the Owners is present, the vote(s) allocated to the Unit may be cast only in accordance with the agreement of a majority in interest of the Owners. There is a majority agreement if any one (1) of the Owners casts the vote(s) allocated to the Unit without protest being made promptly to the Person presiding over the meeting by another Owner of the Unit.

2. The vote(s) allocated to a Unit may be cast under a proxy duly executed by an Owner. If a Unit is owned by more than one (1) Person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owner(s) of the Unit through a duly executed proxy. An Owner may revoke a proxy given under this Subsection 2 by actual notice of revocation to the individual presiding over a meeting of the Owners, or by attending the meeting and voting in person. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date unless it specifies a shorter term.

3. The vote(s) of a corporation, business trust, or other entity may be cast by any officer of that entity with authority to bind the entity, in the absence of express notice to the Board of a specifically-designated individual. The chair of the meeting may require reasonable evidence that an individual voting on behalf of a corporation, partnership, business trust or limited liability company Owner is qualified to vote.

4. The Association shall not cast any votes allocated to a Unit it owns.

5. Votes for contested positions on the Board shall be taken by secret ballot. At the discretion of the Board or upon the request of at least twenty percent (20%) of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved a vote on any matter affecting the Project on which all Owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the chair of the Board or another individual 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. The

results of a vote taken by secret ballot shall be reported without reference to the names, addresses or other identifying information of Owners participating in such vote.

J. Quorum.

Except as otherwise provided in these Bylaws or the Declaration, the presence in person or by proxy of Owners holding at least twenty percent (20%) of the votes in the Association constitutes a quorum at any meeting of the Owners.

K. Majority Vote.

The vote of Owners holding a majority of the votes present in person or by proxy at a meeting at which a quorum is present shall be binding upon all such Owners for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws or by law.

**ARTICLE III  
OFFICERS**

A. Designation.

The principal officers of the Association shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be appointed by the Board. The Board may appoint an assistant treasurer, an assistant secretary and other officers as it finds necessary. The President and Vice President, but no other officers, must be directors. Any two (2) offices may be held by the same Person, except the offices of President and Secretary. The office of Vice President may be vacant.

B. Appointment of Officers.

The officers of the Association shall be appointed annually by the Board at the organizational meeting of each new Board. They shall hold office at the pleasure of the Board.

C. Removal of Officers.

Upon the affirmative vote of a majority of directors, any officer may be removed, with or without cause. A successor may be appointed at any regular meeting of the Board or at any special meeting of the Board called for that purpose.

D. President.

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Owners and of the Board. The President shall have all the general powers and duties that are incident to the office of president of a non-profit corporation organized under the laws of the State of Colorado, including, but not limited to, the power to appoint committees from among the Owners, and others as permitted in the Declaration and the Act, from time to time as the President may decide is appropriate to assist in the conduct of the affairs of the



Association. The President may fulfill the role of treasurer in the absence of the Treasurer. The President may cause to be prepared and may execute amendments, attested by the Secretary, to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

#### E. Secretary.

The Secretary shall keep the minutes of all meetings of the Owners and the Board. The Secretary shall have charge of the Association's books and papers as the Board may direct and shall perform all the duties incident to the office of secretary of a non-profit corporation organized under the laws of the State of Colorado. The Secretary may cause to be prepared and may attest to execution by the President of amendments to the Declaration and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment as applicable.

#### F. Treasurer.

The Treasurer shall be responsible for Association funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. This officer shall be responsible for the deposit of all monies and other valuable effects in depositories designated by the Board and shall perform all the duties incident to the office of treasurer of a non-profit corporation organized under the laws of the State of Colorado. The Treasurer may endorse on behalf of the Association, for collection only, checks, notes and other obligations and shall deposit the same and all monies in the name of and to the credit of the Association in banks designated by the Board. Except for reserve funds described below, the Treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in segregated accounts or in prudent investments, in accordance with the Association's policy governing the investment of reserves.

#### G. Agreements, Contracts, Deeds, Checks, etc.

Except as otherwise provided in these Bylaws, all agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by any officer of the Association or by any other individual(s) designated by the Board.

#### H. Statements of Unpaid Assessments.

The Treasurer, assistant treasurer, Managing Agent, or in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute statements of unpaid Assessments, in accordance with § 316 of the Act and Section 5.9 of the Declaration.

The Association may charge a reasonable fee for preparing certificates or statements of unpaid Assessments. The amount of such fee shall be set from time to time by the Board. Any unpaid fees may be assessed as an Individual Assessment against the Unit for which the certificate or statement is furnished.

If an account has been turned over to the Association's attorney, a request for a statement of unpaid Assessments with respect to such account shall be handled through the attorney.

#### **ARTICLE IV INDEMNIFICATION**

##### **A. Actions Other Than by or in the Right of the Association.**

The Association shall indemnify any Person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a member of the Board or Committee or officer of the Association, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs), judgments, fines, amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner which such individual reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the Person did not act in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

##### **B. Actions by or in the Right of the Association.**

The Association shall indemnify any Person who was or is a party or who is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such Person is or was a member of the Board or Committee or officer of the Association or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if such Person acted in good faith and in a manner which he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such Person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty in the Association unless, and to the extent that the Court in which such action or suit was brought determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnification for such expenses if such Court deems proper.

##### **C. Successful on the Merits.**

To the extent that a member of the Board or Committee or any Managing Agent, officer, project manager, employee, fiduciary or agent of the Association has been wholly successful on the

merits in defense of any action, suit or proceeding referred to in Article IV, Sections A or B above, or in defense of any claim, issue or matter therein, such Person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

#### D. Determination Required.

Any indemnification under Article IV, Sections A or B above (unless ordered by a Court) and as distinguished from Section C above, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of the member of the Board or Committee or officer of the Association is proper under the circumstances because such individual has met the applicable standard of conduct set forth in Sections A or B above. Such determination shall be made by the Board by majority vote of a quorum consisting of those members of the Board who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Board so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board shall provide a copy of its written opinion to the officer or Board member seeking indemnification upon request.

#### E. Payment in Advance of Final Disposition.

The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Board or Committee or officer of the Association who is a party to a proceeding in advance of final disposition of the proceeding if (1) the member of the Board or Committee or officer of the Association furnishes to the Association a written affirmation of the individual's good faith belief that he or she has met the standard of conduct described in Article IV, Sections A or B above, (2) the Board or Committee member or officer furnishes to the Association a written understanding, executed personally or on the Board or Committee member's or officer's behalf to repay the advance if it is ultimately determined that the Board member or officer did not meet the standard of conduct, and (3) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article IV. The undertaking required in this Section E shall be an unlimited general obligation of the Board but need not be accepted by the Board member or officer or may be accepted without reference to the financial ability to make repayment.

#### F. No Limitation of Rights.

The indemnification provided by this Article IV shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any provision of the Project Documents, agreement, vote of the members or disinterested members of the Board, or otherwise, nor by any rights that are granted pursuant to the Act and the Nonprofit Act. Upon a vote of the Board, the Association may also indemnify a member appointed by the Board to serve on a committee (when such committee member is not also a member of the Board) upon such terms and conditions as the Board shall deem just and reasonable.

#### G. Directors' and Officers' Insurance.

The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board or an officer of the Association against any liability asserted against him or her and incurred by such individual in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such individual against such liability under the provisions of this Article IV.

## **ARTICLE V MISCELLANEOUS**

### A. Notices.

All notices to the Association or the Board shall be delivered to the Managing Agent, if any, and if there is no Managing Agent, then to the registered agent for the Association on file with the Colorado Secretary of State. Except as otherwise provided herein or in the Declaration, all notices to any Owner shall be sent to the Owner's address as it appears in the records of the Association. In the event any Unit is owned by multiple Owners, any one (1) of the Owners may be designated for notice purposes. All notices shall be deemed to have been given when mailed, except notices of changes of address, which shall be deemed to have been given when received.

### B. Fiscal Year.

The fiscal year of the Association is the calendar year.

### C. Waiver.

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

### D. Office.

The Association's principal office is as filed with the Colorado Secretary of State.

## **ARTICLE VI AMENDMENTS TO BYLAWS**

A. The Bylaws may be amended by vote of a majority of Board; *provided, however*, that prior to April 5, 2035, no amendment shall be made to impair any Declarant Rights without the written consent of Declarant, and the Board may not amend the Bylaws to determine qualifications, powers and duties, or terms of office of Board members.

B. Notwithstanding the foregoing, amendments to these Bylaws are subject to the provisions of the Articles and the Declaration.

The foregoing Bylaws were adopted by the Board of Directors on the 29<sup>th</sup> day of December, 2021.

Larry J. Absten  
President

ATTEST:

[Signature]  
Secretary