

**AMENDED AND RESTATED BYLAWS  
OF  
CASTLE PINES HOMES ASSOCIATION, INC.**

Adopted November 19, 2020

**THESE AMENDED AND RESTATED BYLAWS** amend and restate and replace in their entirety the amended and restated bylaws of Castle Pines Homes Association, Inc. previously adopted.

**SECTION 1**

**NAME AND LOCATION**

The name of the corporation is Castle Pines Homes Association, Inc. The registered office of the corporation is 688 East Happy Canyon Road, Castle Rock, Colorado. Meetings of Members and Directors may be held at the registered office or at such other places within the State of Colorado as may be designated by the Board from time to time.

**SECTION 2**

**DEFINITIONS AND PURPOSES**

**2.1** **Definitions.** The following terms used in these Bylaws are as defined below. Capitalized terms used and not otherwise defined in these Bylaws are as defined in the Declaration. Section references are to sections of these Bylaws unless otherwise indicated.

- (a) **“Articles of Incorporation”** means the Articles of Incorporation of the Association, as amended from time to time.
- (b) **“Association”** means Castle Pines Homes Association, Inc., a Colorado nonprofit corporation.
- (c) **“Board”** means the Board of Directors of the Association.
- (d) **“Business Day”** means a day that the Association is open for business.
- (e) **“Bylaws”** mean these Bylaws, as amended from time to time.
- (f) **“Committee”** means the Design Review Committee established pursuant to the Declaration, a Nominating Committee established pursuant to Section 5.3, or a committee established from time to time by the Board.
- (g) **“Declaration”** means the Amended and Restated Castle Pines Declaration and Agreement Creating Covenants, Conditions, Restrictions and Easements made as of May 2, 1989, and recorded on May 5, 1989, in the office of the Clerk and Recorder of Douglas County, Colorado, in Book 852 at Page 981, Reception No. 9810284, as amended from time to time.
- (h) **“Director”** means a member of the Board.

- (i) **“Officer”** means an officer of the Association elected or appointed by the Board. Reference to a particular officer or office means an Officer or office of the Association unless otherwise indicated.
- (j) **“Record Date”** means the date used to determine eligible Members in accordance with Section 4.9.

**2.2 Purposes.** The purposes for which the Association is formed are:

- (a) To provide for the maintenance, preservation, and control of the Common Area and the other real property subject to the Declaration, as provided in the Declaration,
- (b) To promote the health, safety, and welfare of Owners and residents within the real property subject to the Declaration, as provided in the Declaration
- (c) To enforce the rights and fulfill the obligations of the Association as set forth in the Declaration, and
- (d) To engage in any other lawful activity that is consistent with the foregoing purposes and that does not impair the nonprofit, income tax exempt status of the Association.

## **SECTION 3**

### **MEMBERSHIP**

**3.1 Membership in the Association.**

**3.1.1 Owners as Members.** Except as set forth in the Declaration, each Owner shall be a Member. If more than one person or entity holds an interest (other than a security interest) in a Dwelling Unit, each such person or entity shall be a Member. If an interest in a Dwelling Unit is held by an entity, the rights and privileges of that entity as an Owner and Member may be exercised by any authorized representative or representatives of that entity. Status as an Owner is the sole qualification for membership.

**3.1.2 Termination of Ownership Status.** Rights to membership and status as a Member terminate upon termination of status as an Owner. Upon a sale or other conveyance of the Owner's interest as provided in the Declaration, the selling Owner shall be relieved of liabilities attendant upon membership arising after the sale or other conveyance is completed, but no such sale or other conveyance shall relieve an Owner of liabilities arising prior to the date the sale or other conveyance is completed.

**3.1.3 No Avoidance by Non-Use.** No Owner may avoid the obligations of membership during the period of ownership by non-use of Association facilities, renunciation or abandonment of the Owner's Dwelling Unit, or any other act of abandonment or renunciation.

**3.2. Voting Rights.** There shall be one class of voting rights. Each Owner shall be entitled to cast one vote for each Dwelling Unit owned, and only one vote per Dwelling Unit will exist at any time. If a Dwelling Unit is owned by more than one person or entity, the vote for that Dwelling Unit may

be exercised by any one such person or entity, but the vote for that Dwelling Unit will be suspended and disregarded if more than one person or entity seeks to exercise it in a manner that would produce different results. The Owner of a Dwelling Unit that is leased may assign the voting rights appurtenant to that Dwelling Unit to the lessee, but effective only during the term of the lease and only, as to any vote, if a written assignment is received by the Secretary or Assistant Secretary prior to the Record Date for that vote. The Owner of a Dwelling Unit that is leased may revoke an assignment of voting rights effective upon receipt of a written revocation by the Secretary or Assistant Secretary. Except as provided in this Section 3.2, an Owner's voting rights may not be assigned or transferred to any other person or entity other than by sale of other conveyance of the Owner's Dwelling Unit.

- 3.3 Suspension of Membership.** During any period in which a Member is in default in payment of an Assessment, the Board may suspend that Member's voting rights and right to use of the Association's recreational facilities until the delinquent Assessment has been paid in full. After notice and an opportunity for a hearing, the Board may also suspend a Member's voting rights and right to use of the Association's recreational facilities for up to 30 days for violation by that Member, or a person for whom that Member is responsible, of any rules and regulations, policies, or other requirements established by the Board or the Declaration.

## SECTION 4

### MEETINGS OF MEMBERS

- 4.1 Annual Meetings.** The annual meeting of Members shall be held during the first 90 days of each calendar year. The Board shall fix the actual date, place, and time of the meeting. At the annual meeting of Members, the Members shall elect Directors to fill open positions on the Board unless the election is conducted by written ballot pursuant to Section 4.8.
- 4.2 Special Meetings.** Special meetings of Members may be called at any time by the President, by a majority of Directors then in office, or upon written request presented to the Board and signed and dated by Members entitled to vote at least 10 percent of all eligible votes. A call or written request for a special meeting must also state the purpose of the special meeting, and the business that may be conducted at the special meeting is limited to that consistent with the stated purpose for which it is called.
- 4.3 Notice of Meetings.** Written notice of each meeting of Members must be given by or at the direction of the Secretary or other person authorized to call the meeting to each Member entitled to vote at the meeting by hand delivery or by mailing, postage prepaid, to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice, a copy of the notice at least 10 days and no more than 50 days before the meeting. Each meeting notice must specify the place, date, and time of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, and any proposal to remove a Director or Officer. Notice of a special meeting must also include the purpose of the meeting.

- 4.4 Quorum.** The presence at the meeting of Members entitled to cast, and of proxies entitled to cast, 25 percent of the votes entitled to be cast at that meeting will constitute a quorum for any action to be taken at that meeting, except as otherwise provided in the Declaration, the Articles of Incorporation, or these Bylaws. If a quorum is not present, the meeting may be adjourned to a date no less than 48 hours nor more than 30 days thereafter. The presence at the reconvened meeting of Members entitled to cast, and of proxies entitled to cast, 10 percent of the votes entitled to be cast at that meeting will constitute a quorum for any action to be taken at that meeting. If a quorum is not present at a reconvened meeting, a new meeting must be called, and the original quorum requirements will apply.
- 4.5 Proxies.** Each Member may vote in person or by proxy at a meeting of Members. Proxies must be in writing and filed with the Secretary or Assistant Secretary prior to commencement of the meeting where the proxy is to be exercised. Each proxy is revocable until voted. A proxy given by or on behalf of a Member shall automatically cease to be valid upon completion of a sale or other conveyance of the Dwelling Unit by that Member, except that a proxy shall remain valid for a meeting if the sale or other conveyance is completed after the Record Date for that meeting. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy.
- 4.6 Waiver of Notice.** Waiver of notice of a meeting of Members will be deemed the equivalent of proper notice. A Member may waive in writing notice of a meeting of Members, either before or after the meeting. Attendance at a meeting of Members by a Member, whether in person or by proxy, will be deemed a waiver by that Member of proper notice of that meeting, unless the Member specifically objects to lack of proper notice at the time the meeting is called to order.
- 4.7 Conduct of Meetings.** The President shall preside over each meeting of the Members and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions occurring at the meeting. A meeting of Members may be held by teleconference or videoconference whereby each Member can hear and be heard by each other Member in attendance. The Board may establish additional policies or rules for the conduct of meetings of Members.
- 4.8 Action by Written Ballot** Any action that may be taken by a vote of Members at a meeting of Members may be taken by written ballot solicited by the Board without a meeting of Members. Written ballots must be solicited in writing to each Member entitled to cast a written ballot by hand delivery or by mailing, postage prepaid, addressed to the Member's address last appearing on the books of the Association or supplied by the Member to the Association for the purpose of notice, a copy of the solicitation and ballot at least 10 days and no more than 50 days before the deadline for returning ballots. Receipt of at least 10 percent of the number of eligible ballots shall constitute a quorum for action by written ballot, and if a quorum is not attained by the deadline for receiving ballots, all ballots received will be discarded and the proposed action will fail. The solicitation must (i) indicate the number of responses needed to meet the quorum requirement, (ii) the percentage of approvals necessary to approve each action other than election of directors, (iii) the time and place by which the ballot must be received by the Association in order to be counted, and (iv) be accompanied by written information sufficient to permit each person or entity casting a ballot to reach an informed decision on the matter. Each ballot must state each

proposed action and provide an opportunity to vote for or against each proposed action. A ballot for the election of directors may also include a place to nominate and write in the name of a candidate not appearing on the ballot.

**4.9 Record Date.**

**4.9.1 Member Meetings.** The Record Date for determining Members entitled to notice of or to vote at a meeting of Members or any adjournment of a meeting of Members shall be 5:00 pm on the fifth Business Day prior to depositing in the mail or personally delivering the first notice of meeting, as determined and certified in writing by the Secretary.

**4.9.2 Special Meeting Demands.** The Record Date for determining Members entitled to demand a special meeting of Members shall be 5:00 pm on the day on which the demand is presented to the Board, as determined and certified in writing by the Secretary.

**4.9.3 Action by Written Ballot.** The Record Date for determining Members entitled to receive a written ballot and to vote by written ballot pursuant to Section 4.8 shall be the close of business on the fifth Business Day prior to depositing in the mail or personally delivering the first solicitation of written ballots, as determined and certified in writing by the Secretary.

**4.9.4 Other Purposes.** The Record Date for determining current Members for any other purpose shall be five Business Days prior to the date on which the particular action requiring the determination of Members is to be taken, as determined and certified in writing by the Secretary.

**4.10 Vote Required to Take Action.** Unless a greater number of votes is required by the Declaration, the Articles of Incorporation, or applicable law, any action proposed to be taken at a meeting of Members or by written ballot must be approved by a majority of the total votes cast in person and by proxy at a meeting of Members or by written ballot, except that the candidate(s) receiving the most votes (even if less than a majority) in a vote to elect Director(s) will be elected to fill vacant seat(s) on the Board.

## **SECTION 5**

### **DIRECTORS**

**5.1 Number.** The affairs of the Association shall be managed by a Board consisting of five Directors.

**5.2 Selection and Qualifications.** Directors shall be selected at each annual meeting of Members by a vote of Members voting in person or by proxy or by written ballot taken within the first 90 days of the calendar year. Cumulative voting for Directors is not permitted. Directors must be Members of the Association and have such other qualifications as may be determined from time to time by the Nominating Committee.

**5.3 Nominating Committee.** Nominations for election to the Board shall be made by a Nominating Committee consisting of a chair, who shall be a member of the Board, and two or more Members

who may, but need not, be members of the Board. A Nominating Committee for each annual meeting of Members or action by written ballot to elect Directors shall be appointed by the Board not less than 60 days prior to that annual meeting or solicitation of ballots. The Nominating Committee shall make as many nominations for election to the Board as it may in its discretion determine, but not fewer than the number of vacancies or terms to be filled. Nominations may be made from the floor at an annual meeting of Members. Nominations may be made on written ballots by writing in the name of the nominee on the ballot. All candidates for Director shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

- 5.4 Term of Directors.** Each Director shall serve a three-year term of office, subject to Section 5.5. Terms shall be staggered so that no more than two Director positions are up for election in any calendar year.
- 5.5 Removal or Resignation.** Any Director may be removed from the Board, with or without cause, by a majority vote of the Members at a meeting called for that purpose. Any Director may resign at any time by giving written notice to the President or Secretary. A resignation shall be effective on the date the notice is received or later as specified in the notice, and unless otherwise specified in the notice, acceptance of a resignation is not necessary to make it effective. Upon the death, resignation, or removal of a Director, (i) the remaining Directors may at their option select a successor Director to serve for the unexpired term of the former Director, and (ii) notwithstanding Section 5.1, the Board shall consist of the remaining Directors until a successor is appointed.
- 5.6 Compensation.** No Director shall receive compensation for his or her service as a Director. However, a Director may be reimbursed by the Association for actual expenses incurred in the performance of his or her duties.

## SECTION 6

### BOARD MEETINGS

- 6.1 Regular Meetings.** Regular meetings of the Board shall be held monthly without notice, at such place, date, and time as may be fixed from time to time by the Board. If a meeting date falls on a day that is not a Business Day, the meeting shall be held at the same place and time on the next Business Day unless the Board determines otherwise.
- 6.2 Special Meetings.** Special meetings of the Board may be held when called by the President or by any two Directors after not less than three days' prior written notice to each Director stating the purpose of the special meeting.
- 6.3 Conduct of Meetings.** The President shall preside over each Board meeting and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted and all transactions occurring at the meeting. A Board meeting may be held by teleconference or videoconference whereby each Director can hear and be heard by each other Director in attendance. The Board may establish additional policies or rules for the conduct of Board meetings.

- 6.4** **Quorum.** A majority of Directors present at the beginning of a meeting shall constitute a quorum for the transaction of business by the Board at that meeting. Unless otherwise required in the Declaration, the Articles of Incorporation, or applicable law, every act or decision done or made by a majority of Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.
- 6.5** **Waiver of Notice.** Waiver of notice of a Board meeting will be deemed the equivalent of proper notice. A Director may waive in writing notice of a Board meeting, either before or after the meeting. Attendance at a Board meeting by a Director will be deemed a waiver by that Director of proper notice of that meeting, unless the Director specifically objects to lack of proper notice at the time the meeting is called to order or, if the Director arrives later, at the time of the Director's arrival.
- 6.6** **Action Taken Without a Meeting.** The Directors may take any action in the absence of a meeting that they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## **SECTION 7**

### **POWERS AND DUTIES OF THE BOARD**

- 7.1** **Powers.** The Board shall have power to:
- (a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association by these Bylaws, the Declaration, the Articles of Incorporation, or applicable law,
  - (b) Declare the office of a Director to be vacant if that Director is absent from three or more consecutive meetings of the Board, and
  - (c) Employ and prescribe the duties of a manager, independent contractors, or such other agents or employees as it deems necessary.
- 7.2** **Duties.** The Board shall duly perform its duties specified in the Declaration, the Articles of Incorporation, and applicable law. In addition, the Board shall:
- (a) Cause to be kept a complete record of all its acts and corporate affairs,
  - (b) Employ and supervise Officers, agents and employees of the Association and see that their duties are properly performed,
  - (c) Send at least 30 days in advance to each Owner written notice of a change in the amount of the Monthly Assessment and to each Owner subject to a new Special Assessment written notice of amount and terms of that Special Assessment.
  - (d) Cause those Officers or employees having fiscal responsibilities to be bonded as the Board deems appropriate or as required by applicable law, and
  - (e) Cause any sums to be collected by the Association that are to be held as a reserve for contingencies, future maintenance, or future replacements to be deposited in a separate

account and not commingled with the Association's general funds or used for purposes other than those for which they are collected.

- 7.3 Delegation of Authority.** Except as otherwise required by the Declaration, the Articles of Incorporation, or applicable law, the Board may from time to time delegate any of its powers, duties, or responsibilities to a Committee, to the manager of the Association, or to another agent of the Association. The Board shall remain responsible for overseeing the performance by the delegatee of any powers, duties, or responsibilities so delegated.
- 7.4 Non-Profit Purpose** To preserve the nonprofit, income tax exempt status of the Association, neither the Board nor any Director may do or permit any act on behalf of the Association that is inconsistent with the Articles of Incorporation or Bylaws or the nonprofit purpose of the Association. Any such act or acts shall be ultra vires and void.

## SECTION 8

### COMMITTEES

- 8.1 Committees.** The Board shall appoint and may remove members of the Design Review Committee as authorized in the Declaration, and members of the Nominating Committee as provided in Section 5.3. In addition, the Board may from time to time establish other Committees and appoint and remove members of those Committees as the Board may deem appropriate. Committee members may, but need not, be Members. The Secretary shall maintain a roster of Committee members showing for each the date of election or appointment to the Committee.
- 8.2 Powers and Duties.** The Design Review Committee shall have the powers and duties provided in the Declaration and the Nominating Committee shall have the powers and duties specified in Section 5.3. For each other Committee established by the Board, the Board shall approve a charter setting forth the powers and duties of that Committee and such other matters as the Board may deem appropriate.

## SECTION 9

### OFFICERS

- 9.1 Named Officers.** The Officers shall include a President, Vice President, Secretary, and Treasurer, all of whom must be and remain members of the Board, and an Assistant Secretary, who may, but need not, be a Director or Member. The Board shall elect the foregoing Officers at the first Board meeting following each annual meeting of Members, and the Officers so elected shall hold office for one year unless the Officer sooner resigns, is removed, or otherwise becomes disqualified to serve. The offices of Secretary and Treasurer may be held by the same person. No person may simultaneously hold more than one of any of the other foregoing offices.
- 9.2 Duties.** The duties and responsibilities of the following Officers include those listed below, in addition to any other duties and responsibilities assigned by the Board or required by the Declaration, the Articles of Incorporation, or applicable law:

- 9.2.1** President. The President shall (i) preside at meetings of the Board and Members, (ii) see that orders and resolutions of the Board are carried out, (iii) sign on behalf of the Association written instruments approved by the Board, and (iv) prepare, execute, certify, and record any amendments to the Declaration.
- 9.2.2** Vice President. The Vice President shall act in the place and stead of the President upon the President's absence or inability or refusal to act.
- 9.2.3** Secretary. The Secretary shall (i) record votes and keep the minutes of meetings and proceedings of the Board and of Members, (ii) keep the corporate seal of the Association and affix it on papers requiring a seal, (iii) serve notice of meetings of the Board and of Members, and (iv) keep appropriate current records showing the names and addresses of Members as reported to the Association.
- 9.2.4** Treasurer. The Treasurer shall (i) receive and deposit in appropriate bank or other accounts all monies of the Association, (ii) disburse funds as directed by the Board, (iii) sign promissory notes of the Association, (iv) keep proper books of account, (v) cause an audit of the Association's annual financial statements to be made by an independent certified public accountant at the completion of each fiscal year, (vi) prepare an annual budget and the financial statements provided for by Section 12.2, and (vii) deliver or make available to Members a copy of the annual budget and annual financial statements. All checks drawn on or other disbursements from accounts of the Association must be signed or authorized by one or more Officers authorized by the Board to do so.
- 9.2.5** Assistant Secretary. The Assistant Secretary shall act in the place and stead of the Secretary upon the Secretary's absence or inability or refusal to act.
- 9.3** Additional Officers. The Board may elect such other Officers as the affairs of the Association may require, each of whom may, but need not be, a Director or Member. Each such Officer shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.
- 9.4** Delegation of Authority. Except as otherwise required by the Declaration, the Articles of Incorporation, or applicable law, an Officer may from time to time (i) delegate any of his or her ministerial powers, duties or responsibilities to a Committee, to the manager of the Association, or to another agent of the Association, and (ii) delegate any of his or her other powers, duties, and responsibilities only with written consent of the Board. Unless authorized by the Board, the Officer delegating any powers, duties, or responsibilities shall remain responsible for overseeing the performance by the delegee of those powers, duties, or responsibilities.
- 9.5** Removal or Resignation. Any Officer may be removed from office by the Board with or without cause. Any Officer may resign at any time by giving written notice to the President or Secretary. A resignation shall be effective on the date the notice is received or later as specified in the notice, and unless otherwise specified in the notice, acceptance of a resignation is not necessary to make it effective.

- 9.6 **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The Officer appointed to a vacancy shall serve for the remainder of the term of the Officer he or she replaces.

## SECTION 10

### CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CASTLE PINES HOMES ASSOCIATION, INC., Colorado.

## SECTION 11

### INDEMNIFICATION

- 11.1 **Right to Indemnification by Indemnified Persons.** Subject to Sections 11.2 and 11.3, the Association shall indemnify each current and former Director, each current and former Officer, and each current and former Committee member who is elected or appointed pursuant to Section 8.1, together with their respective successors, personal representatives, and heirs (each an "***Indemnified Person***"), from and against any liability, loss, damage, cost, or reasonable expense, including reasonable counsel fees, if the Indemnified Person is, or is threatened to be, named as a defendant or respondent in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal (each a "***Proceeding***"), as a result of the Indemnified Person's position with the Association or as a result of conduct by the Indemnified Person in his or her capacity as a Director, Officer, or Committee member.

11.2 **Conditions to Indemnification.**

- 11.2.1 **Authority to Indemnify.** An Indemnified Person will be entitled to indemnification in Section 11.1 only if:

- (a) The Indemnified Person's conduct was in good faith,
- (b) The Indemnified Person reasonably believed (i) in the case of conduct in the Indemnified Person's capacity as a Director, Officer, or Committee member, that the conduct was in the best interests of the Association, and (ii) in all other cases, that the Indemnified Person's conduct was not opposed to the Association's best interests,
- (c) In the case of a criminal Proceeding, the Indemnified Person had no reasonable cause to believe that his or her conduct was unlawful, and
- (d) The indemnification is not otherwise prohibited by applicable law.

The termination of a Proceeding by judgment, order, settlement, or conviction or on a plea of nolo contendere or its equivalent will not, of itself, be determinative that the Indemnified Person did not meet the standard of conduct in this Section 11.2.1.

**11.2.2 Prohibited Indemnification.** Indemnification will not be available under Section 11.1 in connection with a Proceeding (i) by or in the right of the Association in which the Indemnified Person is adjudged liable to the Association (except reasonable expenses, including reasonable counsel fees, incurred in connection with the Proceeding), or (ii) in which the Indemnified Person is adjudged liable based on having derived an improper personal benefit.

**11.2.3 Indemnification Determination.** Indemnification under Section 11.1 must in each case be specifically authorized by the Board after a determination is made that the Indemnified Person is entitled to indemnification under this Section 11. The required determination shall be made in a Board meeting at which a quorum (excluding any Director who is also an Indemnified Person) is present, by majority vote of those Directors present who are not also Indemnified Persons. If a quorum cannot be obtained, the Directors who are not also Indemnified Persons may appoint a committee of two or more Directors who are not also Indemnified Persons to make the required determination or the full Board may appoint independent legal counsel to make the required determination.

**11.3 Advance of Expenses.** The Association may pay or reimburse an Indemnified Person for reasonable expenses, including reasonable counsel fees, incurred by the Indemnified Person in connection with a Proceeding in advance of the final disposition of that Proceeding if:

- (a) The Indemnified Person furnishes to the Association a written affirmation of the Indemnified Person's good faith belief that he or she meets the standard of conduct in Section 11.2.1,
- (b) The Indemnified Person furnishes to the Association a written undertaking to repay any advance pursuant to this Section 11.3 if it is ultimately determined that the Indemnified Person is not entitled to indemnification under this Section 11, and
- (c) A determination is made using the procedures described in Section 11.2.3 that the facts known to those making the determination in Section 11.2.3 would not preclude indemnification under this Section 11.

**11.4 Notice.** The Association shall give notice to Members of any indemnification or advance of expenses provided to a Director pursuant to this Section 11 with or before notice of the next annual meeting of Members is given pursuant to Section 4.3.

**11.5 Indemnification of Others.** The Board may from time to time agree to indemnify persons or entities other than Directors, Officers, or Committee members so long as the agreement to indemnify is not inconsistent with public policy.

## **SECTION 12**

### **BOOKS AND RECORDS**

**12.1 Books and Records.** The Board shall adopt and maintain policies regarding the books and records of the Association consistent with applicable law.

**12.2 Accounts and Reports.** The following management standards of performance for the Association shall be followed unless the Board specifically determines otherwise:

- (a) Accrual accounting, as defined by accepted accounting principles, shall be employed.
- (b) Accounting and controls should conform with established AICPA guidelines and principles. A segregation of accounting duties should be maintained.
- (c) The Board shall cause monthly financial reports for the Association to be prepared for review and acceptance by the Board at the end of each calendar month, including (i) a summary balance sheet showing assets and liabilities of the Association as of the end of that month, (ii) an income statement reflecting income and expense activity of the Association for that month on an accrual basis, and (iii) a confidential delinquency report listing Owners who are delinquent in paying Assessments and describing the status of any collection action.
- (d) The Board shall cause an unaudited balance sheet as of the last day of the Association's fiscal year and an unaudited income statement for the fiscal year preceding an annual meeting of Members to be prepared for acceptance by the Board and once accepted, to be distributed or otherwise made available to Members at or before the annual meeting of Members.
- (e) The Board shall cause a proposed annual budget for the Association to be prepared for approval by the Board and once approved, to be distributed or otherwise made available to Members for their consideration in accordance with applicable law.
- (f) The Board shall cause the annual financial statements of the Association to be audited by an independent certified public accountant after the end of each fiscal year.

**12.3 Fiscal Year.** The fiscal year of the Association shall be a calendar year beginning January 1 and ending on December 31 of each year.

## **SECTION 13**

### **ADOPTION AND AMENDMENT**

**13.1 Adoption.** These Bylaws were adopted by the Board at a regular meeting of the Board held on November 19, 2020, at which a quorum was present.

**13.2 Amendment.** These Bylaws may be amended by the Board from time to time.

**13.2 Conflicts of Documents.** If a conflict arises between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control. If a conflict arises between the Declaration and these Bylaws, the Declaration shall control.