

Bylaws
of
Confluence at Two Rivers Community Association, Inc.

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**Bylaws
of
Confluence at Two Rivers Community Association, Inc.**

Recitals

Article 1. Introduction and Purpose

The Association is a Colorado nonprofit corporation under the Colorado Revised Nonprofit Corporation Act.

These Bylaws are adopted to regulate and manage the affairs of the Association. The Association's purposes are to:

- preserve the value and desirability of Confluence at Two Rivers, a planned community;
- act as an entity for the owners pursuant to the Declaration for Confluence at Two Rivers, as the Declaration may be amended from time to time (the "Declaration");
- operate and govern the community known as Confluence at Two Rivers;
- provide for the administration, maintenance and preservation of the Lots and Common Elements within the Community; and
- further the interests of the residents and occupants of the Community,

Article 2. Definitions

All capitalized terms used in these Bylaws have the same meaning as set forth in the Declaration. As used in these Bylaws, the term "Member" means the same as "Owner" as defined in the Declaration.

Article 3. Membership and Voting

Section 3.1 Membership. Every person who is an Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of any Townhome. Ownership of a Townhome is the sole qualification for membership. To the extent deemed appropriate, classes of Members may be established by the Declarant.

Section 3.2 Suspension of Member Rights. Without notice or hearing, during any period in which a Member is in default in the payment of any assessment levied by the Association, the Member's voting rights are deemed suspended by the Board of Directors.

Section 3.3 Member Voting.

- (a) The Owner of a Townhome is entitled to one vote for the Townhome, as set forth in the Declaration.
- (b) Each Member eligible to vote may vote in person or by proxy at all Member meetings.

(c) If only one of several Owners of a Townhome is present at a Member meeting, the Owner present is entitled to cast the vote allocated to the Townhome.

(d) If more than one of the Owners is present, the vote allocated to the Townhome may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement is deemed to exist if any one of the Owners casts the vote allocated to the Townhome without protest being made promptly to the person presiding over the meeting by another Owner of the Townhome. If co-Owners disagree or attempt to cast more than one vote, no such votes will be counted.

(e) In the absence of express notice to the Board of Directors of the designation of a specific person to cast a vote, the vote of a partnership may be cast by any general partner of that partnership; the vote of a limited liability company may be cast by any manager of that limited liability company; the vote of a corporation may be cast by any officer of that corporation; and the vote of a trust may be cast by any trustee of that trust.

(f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a partnership, limited liability company, corporation or trust is qualified to vote.

(g) Votes allocated to Townhomes owned by the Association may not be cast by the Board of Directors.

Section 3.4 Proxies.

(a) Proxies from Members are expressly allowed.

(b) The vote allocated to a Townhome may be cast under a proxy duly executed by an Owner.

(c) All proxies are to be in writing and filed with the secretary or designee of the Association at or prior to the meeting.

(d) If a Townhome is owned by more than one person, each Owner of the Townhome may vote or register protest to the casting of the vote by the other Owners of the Townhome through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by 2 or more of them to cast such vote or votes, such vote or votes will not be counted.

(e) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over the meeting.

(f) A proxy is void if it is not dated.

(g) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Townhome for which the proxy was issued.

(h) A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 3.5 Voting Procedures. Voting by Members is subject to the following:

(a) Votes for contested positions on the Board of Directors must be taken by secret ballot.

(b) At the discretion of the Board or upon request of 20% of the Owners who are present in person or by proxy at a meeting at which a quorum is present, a vote on any matter affecting the Community on which all Owners are entitled to vote will be by secret ballot.

(c) The results of a vote taken by secret ballot must be reported without reference to Owners' names, addresses, or other identifying information.

(d) Voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Board of Directors prior to the meeting or by a majority of the Members present at a meeting; provided, however, if secret balloting is required, the means of voting will protect the secrecy of the ballot.

Section 3.6 Voting by Mail or Electronic Means in Lieu of a Meeting.

(a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary is to mail, deliver or provide notice to all Members, as allowed by applicable nonprofit corporation law.

(b) The notice is to include:

(i) a proposed written resolution setting forth a description of the proposed action;

(ii) a statement that Members are entitled to vote by mail or electronic means "for" or "against" such proposal;

(iii) a date at least 10 days after the date of the notice (or, as allowed under applicable nonprofit corporation law) after the notice given, on or before which all votes must be received at the Association's office at the address designated in the notice; and

(iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote.

(c) Voting by mail or electronic means is acceptable in all instances in the Declaration, Articles or these Bylaws requiring the vote of Members at a meeting.

(d) The Association may conduct elections of directors by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it.

Section 3.7 Voting in Elections of Directors / Other Voting.

(a) In an election of directors, the candidates receiving the largest number of votes are elected.

(b) On all other items, the vote of more than 50% of Members voting at a meeting at which at least a quorum is present constitutes a majority and is binding upon all Members for all purposes except where a higher percentage vote is required in the Declaration, these Bylaws, the Articles of Incorporation, or by law.

Section 3.8 Voting List.

(a) The Association is to maintain a list of the names and addresses of all Members and the number of votes each is entitled to vote.

(b) After a record date is fixed for a membership meeting or for determining the Members entitled to vote by written ballot, the secretary is to make, at the earlier of 10 days before the meeting or 2 business days after notice of the meeting has been given, a complete list of the Members entitled to be given notice of the meeting or any adjournment of the meeting. The list will be arranged in alphabetical order and is to show the name and address of each Member and number of votes to which each Member is entitled.

(c) For the period beginning the earlier of 10 days prior to the meeting or 2 business days after notice of the meeting is given and continuing through the meeting and any adjournment of the meeting, this list will be kept on file at the Association's office. The list will be available for inspection upon written request by any Member during regular business hours and during the period available for inspection.

(d) If the list is prepared in connection with a written ballot, it will be available for inspection beginning on the date the first written ballot is delivered and continuing through the time when such written ballots must be received by the Association in order to be counted.

(e) Any Member may copy the list during regular business hours, at the Member's expense, and during the period it is available for inspection, provided the Member pays a reasonable charge covering the costs of labor and material for the copies, not to exceed the estimated cost of production and reproduction.

(f) At all times, the list will be available for inspection and copying in accordance with these Bylaws and the Association's records inspection policy.

Section 3.9 Limitation on Use of Voting List and Membership List. Unless the Board of Directors gives its prior consent, the Association's voting lists and membership list or any part thereof may not be: (a) obtained or used by any person for any purpose unrelated to a Member's interest as a Member; (b) used to solicit money or property unless the money or property will be used solely to solicit the votes of the Members in an election by the Association; (c) used for any commercial purpose; or (d) sold to or purchased by any person.

Section 3.10 Transfer of Membership. Transfer of memberships are to be made on the Association's books only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Townhome. Prior to presentation of such evidence, the Association may treat the previous Owner as the Member entitled to all rights connected with a membership, including the right to vote and to receive notice, without liability.

Article 4. Meetings of Members

Section 4.1 Annual Meetings.

(a) An annual meeting of the Members will be held during each of the Association's fiscal years, at such time, date and place as the Board determines or virtually, over the internet, by conference call or other electronic means, as the Board determines.

(b) At these meetings, the directors are to be elected by the Members in accordance with the provisions of the Bylaws.

(c) Failure to hold an annual meeting does not affect the validity of any action of the Association and is not considered a forfeiture or dissolution of the Association.

Section 4.2 Budget Ratification Meetings.

(a) Meetings to consider proposed budgets are to be called in accordance with the terms of the Declaration and these Bylaws.

(b) The Declaration's budget process allows a percentage of the Membership to veto a proposed budget adopted by the Board.

(c) The budget process is as follows:

(i) The Board of Directors is to prepare and approve a proposed budget at least annually.

(ii) Within a reasonable time or 90 days after the Board of Directors adopts the proposed budget, the Board of Directors will mail or otherwise provide (as allowed by applicable law) a summary of the proposed budget to those entitled to vote and set a date for a special or annual meeting to consider ratification of the proposed budget.

(iii) Notice for the meeting at which the budget will be considered must be provided not less than 10 days or more than 50 days before the meeting (as allowed by applicable law).

(iv) At the meeting, unless Owners holding at least 70% of the votes in the Association vote to reject the proposed budget, the proposed budget is ratified and becomes the approved budget of the Association.

(v) A quorum is not required at the meeting if the meeting is only a budget meeting. If the meeting is also an annual or special meeting at which other business will be conducted, a quorum is required for other business to be conducted, but not required for ratification of the budget.

(d) If a proposed budget is rejected by a percentage vote of the Members (as allowed for in the Declaration), the budget last ratified continues until a subsequent budget proposed by the Board of Directors is ratified.

Section 4.3 Special Meetings. Special meetings of the Members may be called by the president, by a majority of the members of the Board of Directors or by the secretary, upon receipt of a written petition signed by Owners comprising at least 20% of the total votes of the Association. A written petition by the Owners must identify the special meeting purpose on each page of the petition, which must be a purpose for which the Association membership is authorized to act under the Governing Documents. The Board of Directors is to determine the form of notice, and the date, time, place of the meeting or whether the meeting is virtual, held over the internet, by conference call or other electronic means. If the secretary does not give notice for a special meeting demanded pursuant to a proper petition within 30 days after the date the written demand(s) is delivered to the secretary, the person(s) signing the demand(s) may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this section will be conducted by the president of the Board, or in their absence, a person chosen by a majority of the Board.

Section 4.4 Record Date. The record date for determining Members entitled to notice of any Member meeting is the date of the notice of the meeting, unless the Board determines otherwise.

Section 4.5 Notice of Meetings.

(a) Written notice of each meeting of Members will be given by, or at the direction of, the secretary or person authorized to call the meeting by mailing a copy of the notice, postage prepaid or by hand delivery, or by any means allowed under nonprofit corporation law.

(b) Notice of meetings given to Members must be at least 10 days before but not more than 50 days before the meeting.

(c) Notice of meetings will be provided to each Member entitled to vote. If given by mail, the notice will be addressed to the Member's address or email address last appearing on the Association's books, or supplied by a Member to the Association for the purpose of notice.

(d) The notice may also be physically posted in a conspicuous place in a part of the Community, if possible.

(e) In addition, if electronic means are available, notice may be sent by email to any Owner who requests such delivery and furnishes the Association with their email address at least 24 hours before the meeting.

(f) The notice is to specify the place, day and hour of the meeting and whether the meeting is virtual, over the internet, by conference call or other electronic means, with log-in or participation means to be provided when notice is given or subsequently. In the case of a special meeting, the notice must state the purpose of the meeting.

(g) No matters will be heard nor action adopted at a special meeting except as stated or allowed in the notice.

(h) Notice of an annual meeting need not include a description of the purpose(s) except with respect to:

- (i) an amendment or restatement of the Declaration, Articles of Incorporation, or Bylaws of the Association;
- (ii) any proposal to remove an officer or director from office;
- (iii) any budget changes; or
- (iv) any other purpose for which a statement of purpose is required by law or the Governing Documents.

Section 4.6 Place of Meeting/Virtual Meetings. Member meetings may be held at a place as may be fixed by the Board of Directors and specified in the meeting notice, or may be held virtually, over the internet, by conference call or electronic means. If held at a location, the location should be convenient to the Community. If held virtually, by conference call, or by electronic means, the place of the meeting is deemed to be the place or location of the host of the meeting.

Section 4.7 Quorum.

(a) The presence of 25% of the Members eligible to vote at the beginning of any meeting, in person or by proxy, constitutes a quorum for any action, except as otherwise provided in the Articles of Incorporation, the Declaration, and these Bylaws.

(b) Once a quorum is established for a meeting, it is conclusively presumed to exist until the meeting is adjourned and does not need to be reestablished.

(c) If the required quorum is not present, the Members who are present have power to adjourn the meeting, from time to time, to a later date, until such time as a quorum is present.

Section 4.8 Adjourned and Reconvened Meetings. Any membership meeting may be adjourned, to be reconvened at a later date or time, by vote of the Owners holding a majority of the vote represented at the meeting, regardless of whether a quorum is present. Any business that could have been transacted properly at the original session of the meeting may be transacted at the reconvened session. No additional notice of such reconvened session is required if the original session is adjourned for a period not exceeding 10 days.

Section 4.9 Order of Business. The Board of Directors may establish the order of business and prescribe reasonable rules for the conduct of all Member meetings. Failure to strictly follow Robert's Rules of Order does not invalidate any action taken at a meeting.

Section 4.10 Waiver of Notice. Waiver of notice of a membership meeting is deemed the equivalent of proper notice. Any Member may waive, in writing, any notice of any membership meeting, either before or after such meeting. A Member's attendance at a meeting, whether in person or represented by proxy, or virtually, is deemed a waiver by the Member of improper notice of the date and time of the meeting and of any specific business being conducted at the meeting. The foregoing is not waived if the Member specifically objects to improper notice at the time the meeting is called to order or the Member objects to improper notice of the specific business before the business is put to a vote.

Article 5. Board of Directors

Section 5.1 Number of Directors.

(a) The Association's affairs are governed by a Board of Directors which consists of 3 members, elected or appointed as provided below (the "Board").

(b) In the case where through removal or resignation the total number of Board members is less than 3, the Board is considered properly constituted until the vacancies are filled.

(c) The number of directors may be increased or decreased by amendment of these Bylaws.

Section 5.2 Qualifications of Directors. The following qualifications apply to Owner- elected or appointed Directors. Declarant-appointed Directors are exempt from the following qualifications.

(a) An Owner and/or spouse of an Owner for a Townhome who is eligible to vote, current in payment of assessments, and otherwise in good standing may be elected to or appointed to fill a vacancy on the Board. No more than 2 people from the same household may serve simultaneously on the Board.

(b) If any Townhome is owned by a partnership, corporation, trust or other entity, or by a married person, any officer, partner, trustee or representative of that entity, or their spouse, is eligible to serve as a director and is deemed to be a Member for the purposes of these Bylaws.

(c) Any director who is more than 30 days delinquent in payment of any assessment is not qualified to serve on the Board.

(d) Any director who has unexcused absences from 3 consecutive Board meetings is not qualified to serve on the Board. An absence is excused if the absent Board member notifies the president of the planned absence and the reason for the absence at least 3 days before the meeting, and a majority of the remaining Board members approve the absence as being for a valid purpose.

(e) Any director who is in violation of any provision of the Association's Governing Documents for more than 60 days is not qualified to serve on the Board.

(f) Any director who does not provide information required to comply with any statutory reporting requirements will not be qualified to serve on the Board.

(g) If a director is not qualified to serve on the Board, the director's position may be deemed vacant by that determination being made by a majority of the remaining Directors.

Section 5.3 Term of Office of Board Members. The term of office of the directors shall be three years or until a successor is elected. The terms of directors shall be staggered.

Section 5.4 Election and Appointment of Directors. Notwithstanding any other provision contained herein:

(a) During the Period of Declarant Control, as defined in the Declaration, the Declarant may appoint members of the Board and may remove any such members of the Board appointed by it. Notwithstanding, no later than 60 days after the conveyance of 25% of the Townhomes to Owners other than the Declarant, at least 1 member and not less than 25% of the members of the Board must be elected by Owners other than the Declarant. Not later than 60 days after conveyance of 50% of the Townhomes to Owners other than the Declarant, not less than 33-1/3% of the members of the Board must be elected by Owners other than the Declarant.

(b) No later than the termination of the Period of Declarant Control, the Owners shall elect a Board of at least 3 directors, at least a majority of whom must be Members other than the Declarant or representatives of the Declarant. Thereafter, all directors shall be elected by the Owners or appointed as otherwise provided herein.

Section 5.5 Resignation. Any director may resign at any time by giving written notice to the president, to the secretary or to the Board of Directors stating the effective date of the resignation. If the notice does not contain an effective date, it will be effective upon delivery. Acceptance of a resignation is not necessary to make the resignation effective.

Section 5.6 Removal of Directors. One or more directors or the entire Board, except any directors appointed by the Declarant, may be removed, with or without cause, at a meeting of Members called pursuant to these Bylaws, by a vote of at least 67% of the Members present and entitled to vote at a meeting at which a quorum is present. Notice of a meeting of the Members to remove directors shall set forth that the meeting is being conducted for that purpose and shall be provided to every Member of the Association, including the directors sought to be removed, as provided in these Bylaws. Directors sought to be removed shall have the right to be present at this meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken. In the event of removal of one or more directors, a successor shall be elected by the Members at the meeting to serve for the unexpired term of his or her predecessor.

Section 5.7 **Vacancies.** Vacancies on the Board caused by any reason (other than removal) may be filled by appointment by a majority vote of the remaining Board at any time after the occurrence of the vacancy, even though the directors present at that meeting may constitute less than a quorum. Each person so appointed is a director to serve for the remainder of the unexpired term.

Section 5.8 **Compensation.** No director is to receive compensation for any service they may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties. Reasonable food and beverages purchased for Board meetings is not considered compensation.

Section 5.9 **Standard of Conduct for Directors and Officers.**

(a) Each director and officer is to perform their duties as a director or officer in good faith, in a manner the director or officer reasonably believes to be in the Association's best interests, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

(b) In the performance of their duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(i) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented;

(ii) legal counsel, professional property manager, public accountant, or other persons as to matters which the director or officer reasonably believes to be within such person's professional or expert competence;

(iii) or a committee of the Association on which the director or officer does not serve if the director reasonably believes the committee merits confidence.

(c) A director or officer is not considered to be acting in good faith if the director or officer has knowledge concerning the matter in question that would cause such reliance to be unwarranted. A director or officer is not liable to the Association or its Members for any action the director or officer takes or omits to take as a director or officer if, in connection with the action or omission, the director or officer performs their duties in compliance with this section.

(d) A director or officer, regardless of title, is not a trustee with respect to the Association or with respect to any property held or administered by the Association.

(e) The Board of Directors has the power and authority to adopt additional reasonable standards or rules of conduct for directors and officers which do not conflict with this section.

Article 6. Meetings of the Board of Directors

Section 6.1 **Location of Meetings and Open Meetings/Virtual Meetings.**

(a) Board meetings may be in person, at a location, or may be virtual and held over the internet. Meetings may also be held by conference call or electronic means.

(b) When held in person, Board meetings are to be held at such location within or convenient to the Community as may be fixed by the Board of Directors.

(c) All Board meetings are to be open to attendance by Members or their designated representatives, as provided by Colorado law.

Section 6.2 Regular Meetings. Regular Board meetings are to be held at the place, virtually, over the internet, by conference call, or by electronic means, at the time as may be fixed by the President or the Board. The Board may set a schedule of regular meetings by resolution, and no further notice is necessary. Agendas for Board meetings are to be made reasonably available for examination by all Members or their representative.

Section 6.3 Special Meetings. Special Board meetings are to be held when called by the president or by any 2 directors. If a notice for a special meeting demanded by 2 or more directors is not given by the Board within 30 days after the date the written demand(s) is delivered to the Board, the directors signing the demand(s) may set the time and place of the meeting or virtually, over the internet, by conference call or by electronic means, and give notice pursuant to the terms of these Bylaws. Only those matters contained in the notice of the special meeting may be discussed, unless all directors are present at the meeting and agree to waive the notice requirement for such other matters. Agendas for special Board meetings are to be made reasonably available as provided above.

Section 6.4 Organizational Meeting of the Board. An organizational meeting of the Board may be held, without notice, immediately following the annual meeting in the same place, virtually, over the internet, by conference call, or by electronic means, or at other date, place or virtually as the directors may determine. The purpose of this organizational meeting is to elect officers and for the transaction of such other business as may come before the meeting.

Section 6.5 Notice of Board Meetings.

(a) Unless the Board has adopted a meeting schedule, written notice of each Board meeting will be given by, or at the direction of, the secretary or person authorized to call the meeting.

(b) The notice will specify the meeting day, hour, and the place (or if held virtually, by conference call, or electronically will include the access details), and in the case of a special meeting, the purpose of the meeting.

(c) Notice may be given by mailing a copy of the notice, postage prepaid, at least 2 days before the meeting, or any other means permitted by the Colorado Revised Nonprofit Corporation Act or allowed under nonprofit corporation law. Other means of distribution of this notice include, but are not limited to, verbal notice (if permitted under nonprofit corporation law), personal delivery, facsimile, and email delivery to each Board member, addressed to the Board member's address last appearing on the Association's books, or supplied by a Board member for the purpose of notice.

Section 6.6 Waiver of Notice. A waiver of notice of any Board meeting, signed by a director, whether before or after the meeting, is the equivalent to the giving of notice of the meeting to the director. A director's attendance at a meeting constitutes waiver of notice of the meeting except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 6.7 Quorum; Voting. A majority of the directors constitutes a quorum for the transaction of business unless there are fewer than 3 directors, in which case all directors must be present to constitute a quorum. One or more directors who participate by means of the internet, telephone or electronic communication are deemed present for establishing a quorum, if all persons participating can hear each other. The votes of a majority of the directors present at a meeting at which a quorum is present constitutes a Board decision unless there are fewer than 3 directors, in which case unanimity of the directors

is required to constitute a Board decision. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.8 Director Proxies. To determine a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a director may execute, in writing, a proxy to be held by another director. The proxy is to specify a "yes," "no," or "abstain" vote on each particular issue for which the proxy was executed. Proxies which do not specify a "yes," "no," or "abstain" vote are not to be counted for the purpose of having a quorum present or as a vote on the particular issue before the Board.

Section 6.9 Action without a Meeting.

(a) The directors have the right to take any action in the absence of a meeting which they could otherwise have taken at a meeting if a notice stating the action to be taken and the time by which a director must respond is transmitted in writing to each director and each director, by the time stated in the notice:

(i) votes in writing for such action; or

(ii) (A) votes in writing against such action, abstains in writing from voting, or fails to respond or vote; and (B) fails to demand in writing that action not be taken without a meeting.

(b) The action is authorized if the number of directors voting in favor of the action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted. An abstention is not a vote in favor or against an action.

(c) Any action taken under this section has the same effect as though taken at a Board meeting.

(d) All signed written instruments necessary for any action taken pursuant to this section are to be filed with the minutes of the Board meetings.

Article 7. Powers and Duties of the Board of Directors

Section 7.1 Powers and Duties. The Board may act in all instances on the Association's behalf, except as provided in the Declaration, these Bylaws or the Articles of Incorporation. The Board has, subject to the limitations contained in the Declaration, these Bylaws and the Articles of Incorporation, the powers and duties necessary for the administration of the Association's affairs, and for the operation and maintenance of the Community as a first- class residential community, including the following powers and duties:

(a) exercise any other powers conferred by the Governing Documents;

(b) Adopt and amend rules and regulations, including responsible governance policies, procedures and rules and regulations, and including penalties for infraction thereof adopt and amend budgets (subject to any requirements of the Governing Documents);

(c) keep and maintain full and accurate books and records showing all of the Association's receipts, expenses, or disbursements;

(d) collect assessments as provided by the Governing Documents;

(e) employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;

(f) institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents, and in the Association's name, on behalf of the Association or 2 or more Owners, on matters affecting the Community, except as to Excluded Claims. As to Excluded Claims, the terms of the Declaration control and must first be complied with.

(g) make contracts, administer financial accounts and incur liabilities in the Association's name;

(h) acquire and hold in the Association's name and in the ordinary course of business, any right, title or interest to real estate;

(i) with the approval of Owners holding at least 67% of the Association vote, convey Common Elements or subject Common Elements to a security interest;

(j) grant easements, leases, licenses, or concessions through or over the Common Elements;

(k) borrow funds and secure loans by granting an interest in future assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing the debt necessary, subject to any requirements in the Governing Documents;

(l) provide for the indemnification of the Association's directors and any person serving without compensation at the Association's request, and maintain professional liability insurance;

(m) supervise all persons acting on the Association's behalf of and/or at the Association's direction;

(n) procure and maintain insurance as set forth in the Governing Documents;

(o) cause all persons having fiscal responsibilities for the Association's assets to be insured and/or bonded, as it may deem appropriate;

(p) appoint such committees and committee members as deemed appropriate in carrying out its purposes. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board. The Board shall also have the power to remove any and all committee members with or without cause and to terminate any such committee; and

(q) exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents or Colorado law.

Section 7.2 No Waiver. The omission or failure of the Association or an Owner to enforce the covenants, conditions, easements, uses, limitations, obligations, or other provisions of the Governing Documents shall not constitute or be deemed a waiver, modification, or release thereof, and the Board or the managing agent shall have the right to enforce the same at any time.

Section 7.3 Managing Agent or Bookkeeper. The Board may employ a managing agent or bookkeeper for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. Regardless of any delegation to a managing agent, directors are not relieved of responsibilities under the Governing Documents or Colorado law.

Article 8. Officers and Duties

Section 8.1 Designation and Qualification. The Association's officers consist of a president, one or more vice-presidents, a secretary, a treasurer and any other officers and assistant officers the Board deems necessary. The president and vice president must be directors. Except for the offices of secretary and treasurer, which may be held by the same person, no person may hold more than one office simultaneously.

Section 8.2 Election and Terms of Office. During the Period of Declarant Control, the Declarant may appoint and remove the officers of the Association. Thereafter, the officers shall be elected by the Board for one year terms at the first meeting of the Board following each annual meeting of the Members. Each officer is to serve until a successor is elected, the Board removes the officer, or the officer resigns.

Section 8.3 Resignation and Removal of Officers. Except for officers appointed by the Declarant, any officer may be removed from office with or without cause by a majority of the Board. Any officer may resign at any time by giving written notice to the Board. A resignation shall take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective.

Section 8.4 Vacancies. During the Period of Declarant Control, a vacancy in any office appointed by the Declarant may be filled by the Declarant. Thereafter, a vacancy in any office may be filled by appointment by majority vote of the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 8.5 Duties of Officers. The duties of the officers are as follows:

(a) **President.** The president is the chief executive officer and has all of the general powers and duties which are incident to the office of president of a Colorado nonprofit corporation, including, but not limited to, the following: preside at all Board and Member meetings; see that Board decisions and resolutions are carried out; sign all contracts, leases and other written instruments; direct, supervise, coordinate and have general control over the Association's day-to-day affairs.

(b) **Vice President.** The vice president is to take the place of the president and perform the president's duties whenever the president is absent or unable to act and is to perform other duties imposed by the Board of Directors. If neither the president nor the vice president is able to act, the Board of Directors will appoint another director to act in the place of the president on an interim basis.

(c) **Secretary.** The secretary will record the votes and maintain the minutes of all Board and Member meetings; serve notice of Board and Members meetings; keep appropriate current records showing the Members of the Association together with their addresses, and perform such other duties incident to the office of secretary or as required by the Board.

(d) **Treasurer.** The treasurer will be responsible for the receipt, deposit and disbursement of Association funds and securities and for maintenance of full and accurate financial records; will prepare an annual budget and a statement of income and expenditures to be presented to the membership; and deliver a copy of each to the Members. The treasurer will perform other duties incident to the office of treasurer or as may be assigned by the Board of Directors.

(e) **Delegation.** The duties of any officer may be delegated to the managing agent or another Board member; provided, however, the officer is not relieved of any responsibility under this section or under Colorado law.

Article 9. Association Documents and Records

Section 9.1 Records and the Right to Inspect Records. The Association or its managing agent, if any, is to keep and maintain records as required by Colorado law. The Association's records are subject to inspection and copying by any Member, at the Member's expense, in accordance with the Association's responsible governance policy, if any, regarding inspection and copying of records. The policy may require advance notice of inspection, specify hours and days of the week during which inspection is permitted, establish a reasonable maximum time limit for any inspection session, and establish reasonable fees for copies.

Section 9.2 Minutes. Minutes or any similar record of Board and Member meetings, when signed by the secretary or acting secretary of the meeting, are presumed to truthfully evidence the matters set forth in the minutes. A recitation in the minutes that notice of the meeting was properly given is prima facie evidence that the notice was given.

Section 9.3 Examination. The books, records and papers of the Association shall at all times, during normal business hours, be subject to inspection and copying by any Member, at his or her expense, to the extent provided by Colorado law. The Association may charge reasonable costs for copying or producing any of the records.

Article 10. Indemnification

Section 10.1 Obligation to Indemnify.

(a) 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; by reason of the fact that the person is or was a director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity; and provided that the person:

- (i) Acted in good faith, and;
- (ii) In a manner that the person reasonably believed to be in the best interests of the Association, and;
- (iii) With respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The termination 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 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 the conduct was unlawful.

(b) Notwithstanding anything in subsection 10.1(a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification shall be made:

(i) In connection with a proceeding by or in the right of the Association where the person has been adjudged to be liable to the Association; or

(ii) In connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person shall be indemnified against actual and reasonable expenses (including expert witness fees, attorney fees and costs) incurred in connection with the action, suit or proceeding.

Section 10.2 Determination Required.

(a) The Board shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination shall be made by the Board by a majority vote of a quorum consisting of those members of the Board who were not parties to the action suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by:

(i) Independent legal counsel selected by a majority of the full Board; or

(ii) By the Members, but Members who are also at the same time seeking indemnification may not vote on the determination.

Section 10.3 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board with:

(a) A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;

(b) A written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 10.4 Directors and Officers Insurance. The Association will purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify the person against liability under provisions of this Article.

Article 11. Miscellaneous

Section 11.1 Bylaw Amendments.

(a) These Bylaws may be amended by:

(i) The affirmative vote of a majority of the members of the Board at a duly constituted meeting; provided, however, no amendment shall be made to the quorum requirement set forth in these Bylaws, and no amendment to the qualifications, powers and duties or terms of directors may be made without the affirmative vote of a majority of the Members present, in person or by proxy, at a regular or special meeting of the Members at which a quorum, as set forth in these Bylaws, is present; or

(ii) The affirmative vote of Members holding a majority of a quorum of the votes in the Association voting in person or by proxy at a regular or special meeting of the Association called for such purpose, provided that notice has been sent to all Members pursuant to these Bylaws, and such notice sets forth that the meeting is being conducted for the purpose of amendment.

(b) Notwithstanding anything to the contrary set forth in these Bylaws, these Bylaws may be amended by the Board, without Member approval, to comply with any statutory or judicial requirements.

Section 11.2 Electronic Communications.

(a) Permissive.

(i) Whenever the Governing Documents require that a document, record or instrument be “written” or “in writing,” the requirement is deemed satisfied by an electronic record.

(ii) Whenever the Governing Documents require a signature on a document, record or instrument, an electronic signature satisfies that requirement only if: (i) the electronic signature is easily recognizable as a secure electronic signature which is capable of verification, under the sole control of the signatory, and attached to the electronic document in such a way that the document cannot be modified without invalidating the signature; or (ii) the Board of Directors reasonably believes that the signatory affixed the electronic signature with the intent to sign the electronic document, and that the electronic document has not been modified since the signature was affixed.

(b) Verification and Liability for Falsification. The Board of Directors may require reasonable verification of any electronic signature, document, record or instrument. Absent or pending verification, the Board may refuse to accept any electronic signature or electronic record that, in the Board’s sole discretion, is not clearly authentic. Neither the Board of Directors nor the Association are liable to any Owner or any other person for accepting or acting in reliance upon an electronic signature or electronic record that the Board reasonably believes to be authentic, or rejecting any such item which the Board reasonably believes not to be authentic. Any Owner or person who negligently, recklessly or intentionally submits any falsified electronic record or unauthorized electronic signature fully indemnifies the Association for actual damages, reasonable attorneys’ fees actually incurred and expenses incurred as a result of such acts.

Section 11.3 Fiscal Year. The Board has the right to establish and, from time to time, change the fiscal year of the Association.

Section 11.4 Notices. All notices to the Association or the Board will be delivered to the office of the managing agent, or if there is no managing agent, to the Association's office, or to such other address as the Board may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner are to be mailed to the Owner's address as it appears in the Association's records or given as allowed by applicable nonprofit corporation law. All notices are deemed to have been given when mailed, transmitted or provided, except notices of changes of address, which is deemed to have been given when received.

Section 11.5 Conflicts. In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation control.


Section 11.6 Waiver. No restriction, condition, obligation or provision contained in these Bylaws is 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.

Section 11.7 Interpretation. The provisions of these Bylaws are to be liberally construed to ensure the Community is operated and maintained to optimize and maximize each Member's enjoyment and use.

CERTIFICATION OF ADOPTION

FCAP Confluence, LLC, as the incorporator (the “**Incorporator**”) certify that these Bylaws of Confluence at Two Rivers Community Association, Inc. were duly adopted by the Incorporator of Confluence at Two Rivers Community Association, Inc. in accordance with § 7-122-106(1), C.R.S., on November ___, 2025.

FCAP Confluence, LLC

By: 
Name: Michael Pearson
Title: Manager

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