

Ski and Racquet Club, Ltd. By-Laws

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BY-LAWS
of
SKI AND RACQUET CLUB, LTD.
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**By-Laws of
Ski and Racquet Club, Ltd.**

**ARTICLE I
GENERAL**

1.1 The purpose for which this non-profit corporation, herein referred to as the "Association", is formed is to govern the condominium property situate in Summit County, Colorado, which is known as Ski and Racquet Club, which property has been submitted to the provisions of the Condominium Ownership Act of the State of Colorado by the Condominium Declaration dated _____, and recorded in the books and records of the office of Clerk and Recorder, Summit County, Colorado, in Book at Page _____. Terms which are defined in the Condominium Declaration shall have the same meaning when used in these By-Laws.

1.2 All present and future Owners, tenants or any other person who might reside in a Unit or use in any manner the Community Facilities are subject to the regulations set forth in these By-Laws. The mere acquisition, rental or occupancy of any Unit will signify that these By-Laws are accepted, ratified, and will be complied with.

**ARTICLE II
MEMBERSHIP AND VOTING RIGHTS**

2.1 All Owners are automatically members of the Association, which membership shall automatically cease upon termination of an ownership interest in a Unit. Membership is appurtenant to the Unit, and may not be separately conveyed, encumbered or abandoned.

2.2 The Association shall have two classes of voting membership:

- 1) Class A members shall be all Owners except Declarant. When Class B membership terminates, Declarant will thereafter become a Class A member. Class A members shall be entitled to one vote for each Unit owned.
- 2) The Class B member shall be Declarant. Declarant shall be entitled to three votes for each Unit owned by it. The Class B membership shall cease when the total votes outstanding in the Class A membership equal the votes outstanding in the Class B membership, or on November 1, 1979, whichever occurs earlier.

2.3 Cumulative voting is permitted in the election of Managers.

2.4 Unless otherwise expressly provided in these By-Laws or the Declaration, any action which may be taken by the Association may be taken by a majority vote of a quorum of the Membership.

2.5 Except as otherwise provided in these By-Laws, the presence in person or by proxy of Members of the Association representing at least 25% of the total votes outstanding, shall constitute a quorum of the Membership.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

2.6 Votes may be cast in person or by proxy. All proxies shall be in writing and must be filed with the Secretary before the appointed time of each meeting. Each proxy shall be revocable and shall automatically cease after completion of the meeting for which the proxy was filed, or upon conveyance by the Member of title to his Unit.

ARTICLE III ADMINISTRATION

3.1 The Association shall be responsible for administering the Property, approving the annual budget, and establishing and collecting all assessments.

3.2 Meetings of the Members shall be held at the Club House on the Property or at such other suitable place in Summit County, Colorado.

3.3 The first regular meeting of the Association shall be held on December 15, 1977. Thereafter, the regular meetings of the Association shall be held on a date selected by the Board of Managers between December 1, and December 31 of each year.

3.4 It shall be the duty of the President to call a special meeting of the Members, as directed by resolution of the Board of Managers, or upon a petition stating the purpose for the meeting and signed by 10% of the voting power of the Association and presented to the Secretary.

3.5 Each first Mortgagee of a Unit or of the Common Elements may designate a representative to attend all special and regular meetings of Members. Meetings shall be open to attendance by all Members.

3.6 It shall be the duty of the Secretary to mail a notice of each regular or special meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record, and to each first Mortgagee of a Unit or the Common Elements if such Mortgagee has filed a written request for such notice with the Secretary at least 10 days prior to any such meeting. Each notice must be sent by first class mail, postage prepaid, at least 10 days prior to the date of the proposed meeting. If no other address has been furnished the Secretary, notice shall be deemed to have been given to a Member if mailed to his Unit. The notice may set forth time limits for speakers and nominating procedures for the meeting. No business shall be transacted at a special meeting except as stated in the notice, unless by consent of Members present, either by person or by proxy, representing at least 75% of the voting power of the Association.

3.7 If any meeting cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time, until a quorum is obtained. Adjourned meetings may be reconvened only upon the giving of further notice as above provided.

3.8 Any action which, under the provisions of the Colorado Non-profit Corporation Act may be taken at a meeting of the Members may be taken without a meeting, if such action is authorized by a writing signed by all of the Members who would be entitled to vote at a meeting and filed with the Secretary.

3.9 The order of business at all meetings of the Members shall be as follows:

- (a) Roll call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of the preceding meeting
- (d) Report of officers
- (e) Report of committees
- (f) Election of Managers
- (g) Unfinished business
- (h) New business

Meetings of the Members shall be conducted by the officers of the Association.

3.10 The transaction of business at any meeting of the Members, either regular or special, however called and noticed, shall be valid as though transacted at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the Members not present in person or by proxy signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

3.11 Minutes or a similar record of the proceedings of meetings of Members, when signed by the President or Secretary, shall be presumed truthfully to evidence the matters set forth therein. A recitation in the minutes of any such meeting that notice of the meeting was properly given shall be prima facie evidence that such notice was given.

ARTICLE IV BOARD OF MANAGERS

4.1 The affairs of the Association shall be governed by a Board of Managers composed of three persons (Managers), all of whom, except for those appointed and serving on the initial Board as named in the Association's Articles of Incorporation, either must be Members, or must be agents of Declarant for so long as Declarant is a Member. The Board may increase, by resolution, the authorized number of members of the Board, but only Members shall have the right to elect the new Managers. Managers shall not receive any salary for their services as Managers, but any Manager may serve the Association in some other capacity and receive compensation therefore, and any Manager may be reimbursed for his actual expenses incurred in the performance of his duties as a Manager.

4.2 The Board of Managers has the powers and duties necessary for the administration of the affairs of the Association and may do all acts which are not by law or by these By-Laws directed to be exercised exclusively by the Members. The Board of Managers shall not enter into any service contract for a term exceeding one year without the approval of the Members, except for any contract with a public utility company which requires a term in excess of one year.

4.3 Without limitation on the general powers stated in Section 4.2, the Board of Managers is vested with, and responsible for, the following powers and duties:

- a) To select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration and these By-Laws, to fix their compensation and to require from them security for faithful service when and in the amount deemed advisable by the Board.
- b) To conduct, manage and control the affairs and business of the Association.
- c) To change the principal office for the transaction of the business of the Association from one location to another within the County of Summit, Colorado, to designate any place within Summit County for the holding of any regular or special meeting of Members, and to adopt and use a corporate seal and to alter the form of such seal from time to time, as the Board in its sole judgment may deem best and in compliance with the provisions of law.
- d) To borrow money and to incur indebtedness for the Association, but only upon approval of the Members if the debts outstanding at any one time exceed \$10,000, and to cause to be executed and delivered therefore, in the Association's name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges hypothecations or other evidences of debt and securities therefore.
- e) To fix and levy from time to time assessments upon the Owners, as provided in the Declaration, to determine and fix the due date for the payment of such assessments and the date upon which the same shall become delinquent, and to hold all funds collected by reason of such assessments for the Owners and in accordance with the purpose for

- which the assessments were collected.
- f) To enforce the provisions of the Declaration, these By-Laws, its rules and regulations, or other agreements of the Association.
 - g) To contract for and pay the premiums for insurance coverage in accordance with provisions of the Declaration, and to review, not less frequently than annually, all insurance policies and bonds obtained by the Board.
 - h) To contract for and pay maintenance, gardening, snow removal, utilities, materials and supplies, and services relating to the Common Elements and to employ personnel necessary for the operation of the Property, including legal and accounting services, and to contract for and pay for Alterations, Improvements and Maintenance, and to procure bids for any work estimated to cost in excess of \$10,000 from at least two firms, which work shall be submitted to the Members for their consideration at a regular or special meeting.
 - i) To delegate its powers according to law, and subject to the approval of the Members.
 - j) To adopt these By-Laws.
 - k) To submit to the Owners requests for grants of easements.
 - l) To adopt such rules and regulations as the Board may deem necessary for the management and operation of the Property and the Community Facilities, which rules and regulations shall become effective and binding after they are adopted by a majority of the Board at a regular or special meeting, and they are posted in a conspicuous place on the Property; for so long as Declarant holds or controls at least 25% of the voting power of the Association, such rules and regulations shall not materially affect the rights, privileges or preferences of any Owner as established by the Declaration, the Articles of Incorporation and these By-Laws without the prior written approval of Declarant; rules and regulations must be consistent with the Declaration, the Articles of Incorporation and these By-Laws in order for them to be enforceable.
 - m) To engage the services and set the compensation of a manager or managing agent to perform such duties and services as the Board shall authorize, including but not limited to the duties listed in Section 4.3 other than this subparagraph (m).
 - n) To establish orderly procedures for an impartial hearing upon notice to any person who is alleged to be in default in paying his assessments or to have violated the Declaration, Articles of Incorporation, these By-Laws or the Association's rules and regulations.

4.4 There shall be cumulative voting for the election of the Managers. At the first regular meeting of the Association, and thereafter at each regular meeting of the Members, new Managers shall be elected by secret written ballot; the three candidates receiving the highest number of votes cast being elected. Each Manager shall hold office until his successor has been elected, or until his death, resignation, removal or an adjudication of incompetence. Any Member serving as Manager may be re-elected, and there shall be no limitation on the number of terms during which he may serve. Whenever Members other than Declarant do not have a sufficient percentage of the voting power of the Association to elect at least one Manager through the cumulative voting procedure, the election of one Manager shall be apportioned entirely to the Owners other than Declarant. Any person desiring to be a candidate for Manager shall submit a written statement to that effect to the Secretary, signed by the candidate, at any time prior to the election.

4.5 Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Members shall be filled by a vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until a successor is elected at the next regular meeting of the Members or at a special meeting of the Members called for that purpose. A vacancy shall be deemed to exist in the case of death, resignation, removal, or an adjudication of the incompetence of any Manager, or in case the Members fail to elect the full number of authorized Managers at any meeting at which such election is to take place.

4.6 At any regular or special meeting of the Members duly called, any one or more of the Managers may be removed with or without cause by the Members and a successor may then and

there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by any Member shall be given an opportunity to be heard at the meeting, if he is present. If more than one Manager is to be removed at any one time, cumulative voting shall be permitted for or against the removal of one or more Managers. Where the entire Board of Managers is not removed at one time, no Manager shall be removed if the number of votes cast against his removal, if cumulatively voted at an election of the entire Board, is equal to the number of votes which would be required to elect that Manager. If any one or all of the Managers are so removed, the new Managers may be elected at the same meeting.

4.7 The first meeting of a newly elected Board of Managers shall be held immediately following the meeting at which the Board is elected. Other regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a resolution adopted by the majority of the Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers (other than the first meeting of a newly elected Board) shall be given to each Manager, personally or by mail, telephone or telegraph, at least three days prior to the day set for such meeting.

4.8 Special meetings of the Board of Managers may be called by the President or, if he is absent or refuses to act, by the Vice President, or by any two Managers. At least two days' notice shall be given to each Manager, personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. If served by mail, each such notice shall be sent, postage prepaid, to the address reflected on the records of the Association, and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second day after it is deposited in a regular depository of the United States mail. Whenever any Manager has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive evidence that due notice of such meeting was given to such Manager.

4.9 Before, at or after any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving and receipt of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at a meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

4.10 At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board, there is less than a quorum, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, which shall be reconvened only upon the giving of notice as above provided, any business which might have been transacted at the meeting as originally called may be transacted.

4.11 The Managers shall have the right to take any action without a meeting which they could take at a meeting by obtaining the vote or written consent of all the Managers. Any action so approved shall have the same effect as though taken at a meeting of the Managers.

4.12 The Board of Managers may, by resolution, from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating the establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, and shall provide for reports, termination and other administrative matters as deemed appropriate by the Board.

ARTICLE V OFFICERS

5.1 The Association shall have a President, a Vice President, a Secretary, and a Treasurer (who may be the Secretary). All such officers shall be elected by the Board of Managers and hold office at its pleasure. Only the President need be a Manager.

5.2 Upon an affirmative vote of a majority of the entire Board of Managers, any officer may be removed, either with or without cause, and his or her successor elected. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary, any such resignation taking effect at the date of receipt of the notice or at any later time specified therein, and unless otherwise specified in the notice, acceptance of such resignation by the Board shall not be necessary to make it effective.

5.3 Officers, agents and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board. Appointment of any officer, agent or employee shall not of itself create contractual rights of compensation for services performed by such officer, agent or employee, and no officer, employee or director of Declarant may receive any compensation.

5.4 The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Managers. He or she shall have all of the general powers and duties which are usually vested in the office of the President of a corporation, including but not limited to the power to appoint committees from among the Members from time to time as he or she may deem appropriate to assist in the conduct of the affairs of the Association. The President shall be ex officio a member of all standing committees, and shall have such other powers and duties as may be prescribed by the Board of Managers or these By-Laws.

5.5 The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent, disabled, unwilling or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or these By-Laws.

5.6 The Secretary shall keep the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association at the principal office of the Association or at such other place as the Board of Managers may order. The Secretary shall perform all other duties given to him or her by the Board or these By-Laws. The Secretary shall keep the seal of the Association/ and shall have charge of such books and papers as the Board of Managers may direct, shall give or cause to be given notices of meetings of the Members and of the Board, shall maintain a book of record Members, listing the names, addresses and telephone numbers of the Members as furnished to the Association, and shall ascertain, certify, record and publicize the outcome of all votes taken by the Managers or the Members, as the case may be. The Secretary shall also be responsible for all filings required by law, except tax returns.

5.7 The Treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping, or causing to be kept, full and accurate accounts, tax records and business transactions of the Association, including accounts of all assets, liabilities, receipts and disbursements and books belonging to the Association. The Treasurer's books and records shall be open to inspection by all Owners and first Mortgagees at convenient weekday business hours. The Treasurer shall make a report, at least once annually, to the Board of Managers containing the Association's balance sheet as of the end of the fiscal period covered by the report, and a statement of the Association's income and expenses for the same period. The Board of Managers shall cause to be transmitted a summary of the Treasurer's Report to each Member. The Treasurer shall co-sign with another person designated by the Board all checks and

promissory notes on behalf of the Association. The Treasurer shall be responsible for keeping the assessment roll required in the fiscal management of the Association, and for filing tax returns as required by law.

ARTICLE VI FISCAL MANAGEMENT

6.1 The Treasurer shall maintain an assessment roll which shall include a separate account for each Unit. Such account shall designate the name and address of the Owner, the amount of each assessment against the Owner, the due dates of all assessments, the amounts paid by the Owner, and all unpaid assessments.

6.2 Upon written request of any Owner or Mortgagee, prospective Mortgagee or prospective purchaser of any Unit to the Board of Managers, managing agent or Treasurer, the Treasurer shall issue a written statement of the unpaid assessment receivable or other charges due and owing from the Owner for the Unit involved, and such statement shall be conclusive upon the Association if the person to whom it is given relies upon it in good faith. If the statement is not given within 10 days of the making of an authorized request for it, the person making the request shall, as against the Association, be entitled to assume that no assessments or other charges are unpaid, unless the lien securing the same shall have been recorded in the land records in the County of Summit, Colorado, or unless the person making the request has actual notice that assessments or other charges are unpaid.

6.3 It shall be the responsibility of the Board of Managers to see that an orderly budgeting procedure is established as soon as practicable. Assessments shall be in an amount sufficient to pay for the Common Expenses. Regular assessments shall be in an amount at least sufficient to pay for the following services and expenses on a normal basis: grounds maintenance (including gardening and snow removal), upkeep of the Community Facilities, insurance, trash removal, service and leasing contracts (including water, utilities and sewage) for the Association and the Common Elements, printing supplies and postage, employees' compensation and taxes paid by the Association.

6.4 As soon as practicable, the Board of Managers shall, by resolution, fix a suitable fiscal year, which shall be the Association's budgeting and accounting period. The assessments against Owners shall be prepared, levied and collected at such times and in such manner as to insure that sufficient funds are available for budgeted expenditures and operations when needed.

6.5 Every Owner who mortgages his Unit shall notify the Association through the managing agent, the President or the Secretary, of the name and address of his Mortgagee. The Secretary shall maintain such information in records established for that purpose. Any such Owner shall notify the Association in the same manner of the release or discharge of any such Mortgage.

ARTICLE VII MISCELLANEOUS

7.1 The Association, to the extent permitted by law, agrees to indemnify and otherwise hold harmless each Manager, officer, committee member or employee of the Association against expenses (including attorney's fees) judgments, fines, and amounts paid in settlement actually and reasonably incurred by reason of such person's acting as such Manager, officer, committee member or employee, unless the Board of Managers (if disinterested) or otherwise the Members (in the Board's or Members' sole discretion, as the case may be) or a court of competent jurisdiction, determines that such liability is the result of willful or gross negligence or culpability, or of actions or omissions which such person should reasonably have believed to be opposed to the best interests of the Association. Expenses (including attorneys' fees) of such person may be paid by the Association in advance of the final disposition of the matter in question in the sole discretion of the Board (if disinterested) or otherwise in the sole discretion of the Members, and

upon receipt of an undertaking by or on behalf of such person to repay the amount advanced unless the Board or Members, as the case may be, ultimately determines that he or she is entitled to indemnification as above provided.

7.2 In case of any of these By-Laws conflict with any provisions of the laws of the State of Colorado, the Articles of Incorporation, or the Declaration, such conflicting By-Laws shall be null and void, but all other By-Laws shall remain in full force and effect.

7.3 These By-Laws may be amended by the association upon the affirmative vote of a majority of the total outstanding votes of the homeowners in a duly constituted meeting of the members for such purpose. (As amended January 12, 1980)

7.4 This Association shall keep in its office for the transaction of business the original or a copy of these By-Laws, as amended from time to time, certified by the Secretary, which shall be open to inspection by the Members and first Mortgagees at reasonable times during office hours.