

**BYLAWS  
OF  
BEAVER CREEK PROPERTY OWNERS' ASSOCIATION, INC.**

PREAMBLE

Beaver Creek Property Owners' Association, Inc. (the "Corporation") is organized and operated as a Colorado nonprofit corporation but exclusively for the promotion of social welfare and to further the common good and general welfare of the people of the community of Beaver Creek, Colorado including, without limitation, the analysis and determination of the validity and practicality of the Beaver Creek Master Plan and the associated documentation as they may affect the continuing zoning and development of a certain valley in Eagle County, Colorado, more particularly known as Beaver Creek, Colorado, and to do any and all lawful acts and to engage in any and all lawful activities which may be necessary, useful, or desirable to the furtherance or attainment of the above purposes. Notwithstanding any provision herein, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law); or (b) by a corporation, contributions to which are deductible under Section 170(c) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE I — OFFICES

1. Principal Office. The principal office of the Corporation shall be in Eagle County, Colorado.
2. Registered Office and Agent. The Corporation shall have and continuously maintain in the State of Colorado a registered office and a registered agent whose office is identical with such registered office, as required by the Colorado Nonprofit Corporation Act. The registered office may be, but need not be; identical with the principal office in the State of Colorado, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II — MEMBERS

1. Class of Members. The Corporation shall have one class of Members. Membership is open to persons, other than non publicly traded companies or their affiliates ("Member" or collectively, "Members") having an ownership interest in any single family residence, duplex residence, townhouse residence, or residential condominium unit located in Beaver Creek Colorado, but excluding single family residences, duplex residences, townhouse residences, or residential condominium units subject to time share, fractional ownership or other shared ownership arrangements or schemes. The rights of the Members shall be as set forth herein.

2. Voting Rights. Each Member shall be entitled to one vote on each matter submitted to a vote of the Members by the Board of Directors.
3. Termination, Expulsion or Suspension.
  - (a) No Member may be expelled or suspended and no membership may be terminated or suspended except as follows. The Member shall be given not less than fifteen days prior written notice of the expulsion, suspension or termination and the reasons therefore. The Member shall have an opportunity to be heard, orally or in writing, not less than five days before the effective date of the expulsion, suspension or termination by the Board of Directors. Written notice must be given personally or by first-class or certified mail sent to the last address of the Member shown on the corporation's records. Any proceeding challenging an expulsion, suspension or termination (including a proceeding in which defective notice is alleged) must be commenced within one year after the effective date of the expulsion, suspension or termination.
  - (b) Upon compliance with the provisions of Article II, Section 3(a) above, (1) two-thirds of the members of the Board of Directors, may suspend or expel a Member for cause and (2) a majority of the members of the Board of Directors may terminate the membership of any Member who becomes ineligible for membership.
  - (c) The membership of a Member who fails to pay dues for the period fixed in Article X of these Bylaws shall automatically be terminated and for said membership to be terminated it shall not be necessary to comply with the provisions of Article II, Section 3(a).
4. Resignation. Any Member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments or other charges theretofore accrued and unpaid.
5. Reinstatement. Upon written request signed by a former Member and filed with the Secretary, the Board of Directors may, by the affirmative vote of two-thirds of the members of the Board, reinstate such former Member to membership upon such terms as the Board of Directors may deem appropriate.
6. Transfer of Membership. Membership in this corporation is not transferable or assignable.
7. Annual Meeting. An annual meeting of the Members shall be held at such time on such day in December and at such location as shall be established by the Board of Directors or the Executive Committee for the purpose of transacting such business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Colorado, such meeting shall be

held on the next succeeding business day.

8. Special Meetings. Special meetings of the Members may be called by the President or the Board of Directors.
9. Place of Meeting. The Board of Directors may designate any place within Beaver Creek, Colorado, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the registered office of the Corporation.
10. Notice of Meetings. Written notice stating the place, day and hour of any meeting of Members shall be delivered, either by mail or e-mail, to each Member entitled to vote at such meeting, not less than ten nor more than fifty days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or by these by-laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail and addressed to the Member at his/hers address as it appears on the records of the corporation, with postage thereon prepaid.
11. Quorum. The Members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice.
12. Proxies. At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member or by his/hers duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.
13. Manner of Acting. A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for adoption thereof unless a greater proportion is required by law or by these Bylaws.

### ARTICLE III – DIRECTORS

1. General Powers. The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers of the Corporation, except as otherwise provided by Colorado law or the Articles of Incorporation of the Corporation.
2. Number. The number of Directors of this Corporation shall be fixed from time to time by resolution of the Board of Directors, but in no instance shall there be less than ten (10) Directors, nor more than thirty (30) Directors. No decrease in the number of Directors shall have the effect of shortening the term of any

3. incumbent Director.
4. Qualification. Directors shall be natural persons of the age of eighteen years or older who need not be residents of the State of Colorado but who must be a Member of the Corporation. Each Director, however, shall continuously maintain an ownership interest in a single family residence, duplex residence, townhouse residence, or residential condominium unit located in Beaver Creek Colorado, but excluding single family residences, duplex residences, townhouse residences, or residential condominium units subject to time share, fractional ownership or other shared ownership arrangements or schemes. Provided however, in the event a Director transfers ownership interest in their Beaver Creek residence, such Director may remain a member of the Board of Directors in good standing if such Director provides a written unequivocal intention to the President of the Board of Directors to obtain a Beaver Creek residence within 180 days after such transfer of ownership interest. After expiration of 180 days, the Director may request an additional 180 days to obtain a new Beaver Creek residence by written request to the Board of Directors for approval of such additional extension. The Board of Directors shall have sole authority to approve or reject such request for an extension in its discretion.
5. Appointment/Election and Term. The Board of Directors shall be elected by a majority of the then constituted Board of Directors at the annual meeting of the Board of Directors. Directors shall be elected for a three year term unless they are elected to fill the vacancy pursuant to Article III, Section 8. In the event a Director is elected to fill a vacancy, his/her term shall be the unexpired term of his/her predecessor in office. Each Director elected shall hold office until his/her successor shall be elected and shall qualify.
6. Resignation of Directors. Any Director may resign at any time by giving such written notice to the President or to the Secretary, and acceptance of such resignation shall not be necessary to make it effective unless the notice so provides.
7. Removal of Directors. Any Director who is absent for three consecutive meetings of the Board of Directors, shall automatically be removed from office. Provided, however, if an absence is excused by the President or the Board of Directors, it shall not be considered an absence for the purposes of this Article 111, Section 6. Absences may be excused for the following reasons:
  - (a.) The Director is traveling at the time of the meeting, and it would be impossible or impractical to participate by electronic means.
  - (b.) The Director is incapacitated.
  - (c.) The Director has a conflicting event.

Furthermore, In order for a Director to be excused from a meeting, the Director must communicate his/her request via email to the President and Vice President/

Secretary prior to that meeting. Attendance will be noted on the meeting minutes, along with excused absences, and unexcused absences. It is the responsibility of each Director to check the meeting minutes and notify the Vice President/Secretary if there is an error in the attendance record according to the meeting minutes. It is the responsibility of the Vice President/Secretary to make any corrections to the attendance record in the minutes.

8. Vacancies. Any vacancy occurring of the Board of Directors and any Directorship to be filled by reason of an increase in the size of the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors. A Director elected to fill a vacancy shall hold office during the unexpired term of his/her predecessor in office. A Director elected to fill a position resulting from an increase in the board of Directors shall hold office until his/her successor shall have been elected and qualified.
8. Meetings. The President, the Board of Directors or the Executive Committee may, by resolution, establish a date, time and location for an annual meeting and additional regular meetings of the Board of Directors. Special meetings of the Board of Directors, or the Executive Committee designated by the Board of Directors, may be called by the President or any three (3) members of the Board of Directors.
9. Participation by Electronic Means. Any members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can communicate with each other at the same time. Such participation shall constitute presence in person at the meeting.
10. Notices Annual Meeting and Additional Regular Meetings. Notice of the annual or additional regular meetings of the Board, stating the date, hour and place of such meeting, shall be given to each member of the Board of Directors by the Secretary, the President or such other person selected by the President. Such notice must be given at least ten (10) days before the meeting by written notice delivered personally or sent by mail, facsimile, email or telegram to each Director at his/hers address as shown by the record of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid and certified with return receipt requested. If notice is given by facsimile, such notice shall be deemed to be delivered when the facsimile has been sent by facsimile transmission. If notice is given by email, such notice shall be deemed to be delivered when the email has been sent by internet transmission. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.
11. Notices Special Meetings. Notice of any special meeting of the Board called by the President or any three (3) members of the Board, stating the date, hour

12. and place of such meeting, shall be given to each member of the Board of Directors by the Secretary, the President or the members of the Board calling the meeting. Such notice must be given at least three (3) days before the meeting by written notice delivered personally or sent by mail, facsimile, email or telegram to each Director at his/hers address as shown by the record of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid and certified with return receipt requested. If notice is given by facsimile, such notice shall be deemed to be delivered when the facsimile has been sent by facsimile transmission. If notice is given by email, such notice shall be deemed to be delivered when the email has been sent by internet transmission. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company.
12. Waiver. A written waiver of notice signed by a Director entitled to notice, whether before, at or after the time stated herein, shall be equivalent to the giving of notice. Attendance of a Director at a meeting constitutes waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.
13. Quorum. A majority of the Directors entitled to vote at the time of a meeting shall constitute a quorum for the transaction of business at that meeting of the Board of Directors; but if less than a majority of the Directors entitled to vote at the time of the meeting are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. The act of a majority of the Directors entitled to vote, present at any meeting at which a quorum is present, shall be the act of the Board of Directors, except as otherwise specifically required by law.
14. Proxies. For the purposes of determining a quorum with respect to a particular proposal, and for the purposes of casting a vote for or against a particular proposal, a Director shall be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing said Director to cast the vote that is directed to be cast by the written proxy with respect to a particular proposal that is described with reasonable specificity in the proxy. Any such proxy may be received by the Corporation by electronically transmitted facsimile, email or other form of wire or wireless communication providing the Corporation with a complete copy of the proxy, including a copy of the signature on the proxy.
15. Action by Directors without a Meeting. Any action required to, or which may be taken at a meeting of the Board of Directors, the Executive Committee of the Board of Directors, or other committees of the Board of Directors may be taken without meeting if the following conditions are complied with:
  - (a) Each and every member of the Board of Directors, the Executive

Committee of the Board of Directors, or other committees of the Board of Directors, (1) votes for such action; or (2) waives the right to demand that a meeting be held and votes against such action or abstains from voting;

(b) The affirmative vote for such action equals or exceeds the minimum number votes that would be necessary to take such action at a meeting at which all of the members then in office of the Board of Directors, the Executive Committee of the Board of Directors, or other committees of the Board of Directors, as is applicable, were present and voted;

(c) The action taken shall be described in writing and signed by all members of the Board of Directors, the Executive Committee of the Board of Directors, or other committees of the Board of Directors and not revoked as permitted pursuant to Article III, Section 15 (d) below; and

(d) The action by a member of the Board of Directors, the Executive Committee of the Board of Directors, or other committees of the Board of Directors is not revoked in a writing signed and dated by that member and received by the Corporation prior to the Corporation receiving the last writing necessary to the action.

16. Applicability of Uniform Electronic Transaction Act. The Uniform Electronic Transaction Act, Section 24-71.3-101, et seq., Colorado Revised Statutes, as amended from time to time, is applicable to actions by members of the Board of Directors of the Corporation in regard to Actions by Directors without a Meeting pursuant to Article III, Section 15 above.

(a) An Action by Directors Without a Meeting as set forth above in Article III, Section 15 shall be considered a "Transaction" as defined in Section 24-71.3-102(16) of Colorado Revised Statutes, as amended from time to time.

(b) Pursuant to Section 24-71.3-107, Colorado Revised Statutes, the writing required by Article III, Sections 15 (c) and (d) above may be in the form of an Electronic Record as defined in Section 24-71.3-102(7), Colorado Revised Statutes and the requirement that the writing be signed as set forth in Article III, Sections 15 (c) and (d) may be in the form of an Electronic Signature as defined in Section 24-71.3-102(8), Colorado Revised Statutes.

17. Compensation. Directors shall not receive compensation for services rendered. However, by resolution of the Board of Directors or the Executive Committee of the Board of Directors, Directors may be reimbursed for any expenses incurred in the furtherance of the purposes of the Corporation. Any such payment of reimbursement of expenses for personal services shall be limited to payments which are reasonable and necessary to carry out the exempt purpose of the Corporation and are not excessive in amount.

18. Conflict of Interest. Any Director who fails to annually execute, sign and deliver to the Corporation the conflict of interest document as provided in Article VI, may be removed as a Director by a vote of a majority of the Directors.
19. No Implied Authority of Directors. No member or members of the Board Directors shall act or purport to act on behalf of the Board of Directors or the Corporation unless authorized to do so in accordance with these Bylaws.
20. All Directors shall be required to serve as a member of at least one standing committee described in article V a) through j).

#### ARTICLE IV-OFFICERS

1. Officers. The Officers of the corporation shall be a President, Vice President/Treasurer, Vice President/Secretary and such other Officers as may be elected in accordance with the provisions of this Article. The Board of Directors may elect such other Officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such Officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. Any two or more offices may be held by the same person, except the office of President.
2. Election and Term of Office. The Officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be occur. Each Officer of the Corporation shall be a Member. New offices may be created and filled at any meeting of the Board of Directors. Officers shall serve a two year term. Notwithstanding the forgoing sentence, there shall be no limitation on the number of two year terms a Member may annually be elected to serve. Each Officer shall hold office until his/her successor shall have been duly elected and qualified.
3. Removal and Resignation. Any Officer elected by the Board of Directors, may be removed by a vote of two-thirds (2/3) of the Directors whenever in its judgment the best interests of the Corporation would be served thereby. Any Officer may resign as an Officer at any time by giving written notice of his/her resignation to the President or Secretary, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides. Any vacancy occurring in any office shall be filled by a majority of the Directors for the unexpired portion of the term.
4. President. The President shall be the principal executive Officer of the Corporation and the Board's representative in the active management of the Corporation. The President shall be an ex-officio voting member of the Board of Directors. The President shall be given the necessary authority and responsibility to operate the Corporation in all of its activities; subject only to such policies as



may be issued by the Board or by the committees of the Board to which the Board has delegated such responsibility. The President shall act as the duly authorized representative of the Board in all matters in which the Board has not formally designated some other person to so act. Except as otherwise provided in these Bylaws, or by specific directive of the Board, the authority and responsibility of the President shall include, but shall not be limited to:

- a) Carrying out all policies established by the Board and advising on the formation of these policies;
- b) Signing documents on behalf of the Corporation that legally bind the Corporation with the approval and at the direction of the Board of Directors;
- (c) Preparing annual operating and capital budgets, showing expected revenues, expenditures and capital outlay as required by the Board and such other periodic and special financial reports as may be required by the Board;
- (d) Selecting, employing, controlling and discharging employees and developing and maintaining personnel policies and practices for the Corporation;
- (e) Supervising the Corporation's business affairs to ensure that funds are collected and expended reasonably and efficiently;
- (f) Attending all meetings of the Board and serving on committees thereof as appropriate or as directed by the Board;
- (g) Serving as the liaison and channel of communications between the Board and all other components of the Corporation;
- (h) Preparing a plan for the achievement of the Corporation's specific objectives and periodically reviewing and evaluating that plan;
- (i) Representing the Corporation in an official capacity in its relationships with other similar organizations and groups and otherwise with government, business and civic organizations, local, regional and national; Presiding at all meetings of the Board of Directors;
- (j) Having general supervision of the affairs of the Corporation, subject to the direction and control of the Board of Directors;
- (k) Seeing that all orders and resolutions of the Board of Directors are carried into effect;
- (l) Being a non-voting member of all committees, except the Executive Committee of which the President shall be a voting member;

- (m) Being Chairperson of the Executive Committee and appointing chairpersons of all other committees, unless the Board of Directors or Executive Committee determines otherwise in a particular case; and
- (n) Performing all duties and responsibilities incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

5. Vice President/Treasurer In the absence of the President or in the event of his/her inability or refusal to act, the Vice President/Treasurer shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

If required by the Board of Directors, the Vice President/Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have control of the funds and the care and custody of all stocks, bonds, and other securities owned by the Corporation and shall be responsible for the preparation and filing of tax returns. He/she shall receive all funds paid to the Corporation and shall have authority to give receipts and vouchers, to sign and endorse checks in his/her name and on its behalf. He/she shall also keep full and accurate record of the receipts and disbursements, and shall deposit all funds and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the Board of Directors. He/she shall perform such other duties and have such other powers as are appropriate and customary for the office of Vice President/Treasurer as the Board of Directors President or the Executive Committee may prescribe from time to time. The Corporation may hire such employees or independent contractors as it deems appropriate and delegate to such employees or independent contractors such of the duties of the Vice President/Treasurer as the Corporation deems appropriate.

6. Vice President/Secretary The Vice President/Secretary shall give, or cause to be given, notice of all regular and special meetings of the Board of Directors, keep the minutes of such meetings, have charge of the corporate seal, be responsible for the maintenance of the website of the corporation and all corporate records and files and the preparation and filing of reports to governmental agencies (other than tax returns), have authority to affix the corporate seal to any instrument so requiring (and, when so affixed, it may be attested by his/her signature), and perform such functions and duties as are appropriate and customary for the office of Vice President/Secretary as the Board of Directors, President or the Executive Committee may prescribe from time to time.
7. Assistant Secretaries, Assistant Treasurers and Support If required by the Board of Directors, the Assistant Treasurers shall give

bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer, the Secretary, the President or the Board of Directors.

8. Compensation The President, the Vice President//Treasurer, Vice President/Secretary, Assistant Secretaries and Assistant Treasurers shall not receive compensation for services rendered. By resolution of the Board of Directors or the Executive Committee of the Board of Directors, however, Officers may be reimbursed for any expenses incurred in the furtherance of the purposes of the Corporation. Any such payment or reimbursement of expenses for personal services shall be limited to payments which are reasonable and necessary to carry out the exempt purpose of the Corporation and are not excessive in amount.
9. Other Employees The Corporation may hire such employees or independent contractors as it deems appropriate and delegate to such employees or independent contractors such of the duties of the Vice President/Treasurer or Vice President/Secretary as the Corporation deems appropriate.

#### ARTICLE V — COMMITTEES

1. Executive Committee. There shall be an Executive Committee.
  - (a) Composition. The Executive Committee shall be comprised of the President, immediate past President, Vice President/Secretary, Vice President/Treasurer of the Corporation, immediate past President and five (5) other members of the Board of Directors which, the Board of Directors, by resolution adopted by a majority of the Directors in office, shall designate and appoint from among its members. Among the factors that the Board of Directors may consider in designating the five (5) other members is creating an Executive Committee which is geographically diverse throughout Beaver Creek. Only members of the Board of Directors who are physically present in residence in Beaver Creek not less than three months each calendar year shall eligible to serve on the Executive Committee.
  - (b) Power. This Executive Committee shall have authority of the Board of Directors; provided, however, that the Executive Committee shall not have the authority of the Board of Directors in reference to adopting, amending, altering, or repealing these Bylaws; electing, appointing, or removing any member of such Executive Committee or any Officer or Director of the Corporation; amending or restating the articles of incorporation; adopting a plan of merger or consolidation with another corporation; authorizing the sale, lease, exchange, mortgage, or other disposition of all or substantially all of the property

and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings thereof; adopting a plan for the distribution of the assets of the Corporation; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such Executive Committee. The designation and appointment of any such Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed upon it or him/her by law.

- (c) Term of Office. Each member of the Executive Committee shall continue as such until the next annual meeting of the Board of Directors and until his/her successor is appointed, unless the Executive Committee shall be sooner terminated, or unless such member be removed from such Executive Committee, or unless such member shall cease to qualify as a member thereof.
- (d) Committee Chairperson. The President shall serve as Chairperson of the Executive Committee.
- (e) Vacancies. Vacancies in the membership of the Executive Committee may be filled by the Board of Directors.
- (f) Quorum. Unless otherwise provided in the resolution of the Board of Directors designating the Executive Committee, a majority of the whole Committee shall constitute a quorum and the act of a majority of the members present at a meeting at which quorum is present shall be the act of the Committee.
- (g) Rules. The Executive Committee may adopt rules for its own government not inconsistent with these Bylaws, as amended from time to time, or with rules adopted by the Board of Directors.

## 2. Other Committees.

- (a) Composition. There shall be the standing committees described below in Sections (b) through (g) and such other committees as may be appointed by a resolution adopted by the Board of Directors or in a resolution of the Executive Committee subject to ratification by the Board of Directors. Unless stated otherwise in said resolutions, the Board of Directors shall ratify the appointments a chairperson of all standing and other committees appointed pursuant to this Article IV, Section 2(a) and the chairperson shall appoint the members of his committee which may but need not be, members of the Board of Directors unless otherwise provided below. There shall be a minimum of three (3) members, including any chairperson(s), of each committee. Any member thereof may be

removed by the persons authorized to appoint such members whenever in their judgment the best interests of the Corporation shall be served by such removal.

- (b) Resort Activities & Events Committee. The purpose of the Resort Activities & Events Committee shall be to serve as a liaison among the Board of Directors, the Beaver Creek Resort Company, and Vail Resorts regarding the Beaver Creek activities and operations such as, but not limited to, winter ski mountain operations, summer golf and tennis, and Resort Company, Vilar Center for the Arts, and beaver Creek Club events.
- (c) Nominating Committee. The members of the Nominating Committee shall be members of the Board of Directors. The Board of Directors shall appoint the chairperson and the other members of the Nominating Committee. The purpose of the Nominating Committee shall be to solicit and recommend to the Board of Directors persons to serve as members of the Board of Directors and Officers of the Corporation.
- (d) Membership Committee. The purpose of the Membership Committee shall be to attract membership and to keep the Members of the Corporation informed of pertinent information regarding the Corporation and issues affecting Beaver Creek.
- (e) Social Committee. The purpose of the social committee shall be to organize such activities and social events for the benefit of all Members and non member owners of real property in Beaver Creek as are approved by the Board of Directors.
- (f) Bylaws Committee. The purpose of the Bylaws Committee shall periodically review the Bylaws of the Corporation to conform to the current operating practices of the Corporation, the Board of Directors and the committees of the Corporation, and in consultation with Corporation's legal counsel, propose amendments to comply with appropriate state and federal laws and regulations applicable to the Corporation.
- (g) Financial Oversight Committee. The purpose of the Financial Oversight Committee shall be to review and evaluate periodic financial statements of the Beaver Creek Resort Company, Beaver Creek Metro District, and any other governmental, quasi governmental or private entity which may have an effect on the property owners of Beaver Creek. The Financial Oversight Committee chairman shall be a member of the Board. The Financial Oversight Committee may meet with officers, directors, or managers

of the entities under review in order to obtain clarification of information provided.

- (h) Governance Committee. The purpose of the Governance Committee shall be to carry out the responsibilities set forth in Article VI of these Bylaws and Governance Policies adopted pursuant hereto.
  - (i) Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.
  - (j) Vacancies. Vacancies in the membership of any committee except the Executive Committee may be filled by the President of the Corporation.
  - (k) Quorum. Unless otherwise provided in a resolution of the Board of Directors, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
  - (l) Rules. Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.
3. Authority of Committee Members. If any Committee of the Corporation has one or more members thereof who are entitled to vote on Committee matters who are also not then Directors, such Committee may not exercise any power or authority reserved to the Board of Directors in the Colorado Revised Non-Profit Corporation Act.

#### ARTICLE VI — GOVERNANCE POLICIES

1. The Board of Directors or the Executive Committee shall adopt the following governance policies (“Governance Policies”):
  - (a) A Document Retention/Destruction Policy that specifies procedures for retention, protection and destruction of corporate documents.
  - (b) A Whistle Blower policy that protects Directors, Officers, Employees, Independent Contractors and Volunteers who report suspected improper behaviors from retaliation.\
  - (c) A Conflict of Interest Policy which includes, but is not limited to, the

execution by all Directors annually of a conflicting Interest transaction Acknowledgement and the obligation of Directors to disclose any conflict of interest. Such form must be signed and delivered to the Secretary no later than March 31<sup>st</sup> of each year. A member shall be suspended after that date until such form is submitted to the Secretary.

- (d) Such other policies pertaining to the governance of the Corporation as the Board of Directors or Executive Committee shall direct.
2. The Governance Committee shall implement the Governance Policies, administer the Governance Policies, and shall recommend to the Board of Directors or the Executive Committee changes to the Governance Policies. The chairperson of the Governance Committee shall be the Governance Policies Compliance Officer who shall have the duties specified in the Governance Policies.

#### ARTICLE VII — DOCUMENT RETENTION AND DESTRUCTION POLICY

1. Purpose. In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by the Corporation in connection with the transaction of the Corporation's business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the Corporation's operations by promoting efficiency and freeing up valuable storage space.
2. Document Retention. The Corporation follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

(a) Corporate Records

Annual Reports	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Fixed Asset Records	Permanent

	IRS Application for tax-Exempt Status (Form 1023)	Permanent
	IRS Determination Letter	Permanent
	State Sales Tax Exemption Letter	Permanent
	Contracts (after expiration)	7 years
	Correspondence (general)	3 years
(b)	<u>Accounting and Corporate Tax Records</u>	
	Annual Audits and Financial Statements	Permanent
	IRS Form 990 Tax Returns	Permanent
	General Ledgers Permanent	7 years/ Permanent
	Business Expense Reports Permanent	7 years/ Permanent
	IRS Form 1099	7 years
	Journal Entries	7 years
	Invoices	7 years
	Sales Records (box office, concessions, gift shop)	5 years
	Petty Cash Vouchers	3 years
	Cash Receipts	3 years
	Credit Card Receipts	3 years
(c)	<u>Bank Records</u>	
	Check Registers Permanent	7 years/ Permanent
	Bank Deposit Slips	7 years
	Bank Statement and reconciliation	7 years
	Electronic Fund Transfer Documents	7 years
(d)	<u>Payroll and Employment Tax Records</u>	
	Payroll Registers	Permanent



	State Unemployment Tax records	Permanent
	Earnings Records	7 years
	Garnishment Records	7 years
	Payroll tax Returns	7 years
	W-2 Statements	7 years
(e)	<u>Employee Records</u>	
	Employee and Termination Agreements	Permanent
	Records Relating to Promotion, Demotion, Or Discharge	7 Years after Termination
	Accident reports and Worker's Compensation Records	5 years
	Salary Schedules	5 years
	Employment Applications	3 years
	I-9 Forms	3 years after Termination
	Time Cards	2 years
(f)	<u>Donor and Grant Records</u>	
	Donor Records and Acknowledgement Records	7 years
	Grant Applications and Contracts	7 years after Completion
(g)	<u>Legal and Insurance</u>	
	Appraisals	Permanent
	Insurance Policies	Permanent
	General Contracts	3 years after Termination

3. Electronic Documents and Records. Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of

donations made online that fall into one of the documents types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an “archive” computer file folder. Backup and recovery methods will be tested on a regular basis.

4. Emergency Planning. The Corporation’s records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Corporation operating in an emergency will be duplicated or backed up at least every week and maintained off-site.
5. Document Destruction. The Corporation’s Treasurer is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

6. Compliance. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Corporation and its employees and possible disciplinary action against responsible individuals. The Treasurer will periodically review these procedures with legal counsel or the Corporation’s accountant to ensure that they are in compliance with new or revised regulations.

#### ARTICLE VIII – WHISTLEBLOWER POLICY

1. General. The Corporation’s Code of Ethics and Conduct (“Code”) requires Directors, Officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Corporation, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.
2. Reporting Responsibility. It is the responsibility of all Directors, Officers, and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.
3. No Retaliation. No Director, Officer, or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the organization prior to seeking resolution outside the Corporation.
4. Reporting Violations. The Code addresses the Corporation’s open-door policy and suggests that employees share their questions, concerns, suggestions, or

complaints with someone who can address them properly. In most cases the Executive Committee is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with the Executive Committee's response, you are encouraged to speak with any member of the Board who you are comfortable approaching. Directors are required to report suspected violations of the Code of Conduct to the Corporation's Executive Committee, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Corporation's open-door policy, individuals should contact the Corporation's Executive Committee directly.

5. Compliance. The Corporation is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at its discretion, shall advise the Board of Directors.
6. Accounting and Auditing Matters. The Executive Committee of the Board shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, or auditing.
7. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
8. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
9. Handling of Reported Violations. The Executive Committee will notify the sender and acknowledgement receipt of the reported violation or suspected violation within 30 business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

#### ARTICLE IX – CONFLICTS OF INTEREST

1. Conflicting Interest Transaction Defined. Colorado law defines a Conflicting Interest Transaction to include (i) contracts, (ii) transactions or (iii) other financial relationships between a nonprofit corporation and a director or related party. A related party is defined as a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, and estate or trust, in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.
2. Conflicting Interest Transaction Acknowledgement. At the Annual Meeting of the Board of Directors, or within ninety (90) days thereafter, each Director shall

execute such Conflicting Interest Transaction Acknowledgement which has previously been adopted by the Board of Directors.

3. Directors' obligation to Disclose. If a Conflicting Interest Transaction should arise involving said Director, said Director will inform the Board of Directors that a Conflicting Interest Transaction has arisen and the material facts regarding the director's interest, relationship and the Conflicting Interest Transaction.

#### ARTICLE X — CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. Contracts. The Board of Directors may authorize any Officer or Officers, agent or agents of the Corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
2. Checks. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Corporation.
3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.
4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.
5. No Stocks / Dividends. The Corporation shall not have nor issue shares of stock. No dividend shall be paid and no part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its Directors, Officers, Members, or other private persons.
6. Loans. No loans shall be made by the Corporation to its Directors or Officers.

#### ARTICLE XI — BOOKS AND RECORDS

1. Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board of Directors and committees having any of the authority of the Board of Directors.

## ARTICLE XII — FISCAL YEAR

1. Fiscal Year. The fiscal year of the Corporation shall be a calendar\_year.

## ARTICLE XIII — DUES

1. Annual Dues. The Board of Directors may determine from time to time the amount of initiation fee, if any, and annual dues payable to the Corporation by Members.
2. Payment of Dues. Dues shall be payable as a condition of membership in the Corporation. Dues for new Members shall be payable at the time the application for membership is submitted. Dues for existing Members shall be payable on the anniversary of the date the existing Member became a Member.

## ARTICLE XIV — SEAL

1. Seal. The board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal Beaver Creek Property Owners' Association, Inc."

## ARTICLE XV — AMENDMENT TO BYLAWS

1. Amendment to Bylaws. These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least three days written notice is given of the intention to alter, amend or repeal or to adopt new Bylaws at such meeting; provided, however, that these Bylaws shall not be altered, amended or repealed and new Bylaws adopted if to do so would impair the Corporation's tax-exempt status or would permit money to be used for nonexempt purposes.

## ARTICLE XVI – EMERGENCY BYLAWS

1. Duration of Emergency Bylaws. The Emergency Bylaws provided in this Article XIII shall be operative during any emergency in the conduct of the business of the Corporation resulting from an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in the preceding articles of the Bylaws or in the Articles of Incorporation of the Corporation or in the Colorado Nonprofit Corporation Code. To the extent not inconsistent with the provisions of this Article, the Bylaws provided in the preceding articles shall remain in effect during such emergency and upon its termination the Emergency Bylaws shall cease to be operative.
2. Emergency Bylaws. During any such emergency:
  - (a) A meeting of the Board of Directors may be called by any Officer or Director of the Corporation. Notice of the time and place of the meeting shall be given by the

person calling the meeting to such of the Directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

- (b) At any such meeting of the Board of Directors, a quorum shall consist of the number of Directors in attendance at such meeting.
- (c) The Board of Directors, either before or during any such emergency, may, effective for the duration of the emergency, change the principal office or designate several alternative principal offices or regional offices, or authorize the Officers so to do.
- (d) The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all Officers or agents of the Corporation shall for any reason be rendered incapable of discharging their duties.
- (e) To the extent required to constitute a quorum at any meeting of the Board of Directors during any such emergency, the Officers of the Corporation who are present shall be deemed, in order of rank and within the same rank in order of seniority, Directors for that meeting.
- (f) No Officer, Director or employee acting in accordance with these Emergency Bylaws shall be liable except for willful misconduct. No Officer, Director, or employee shall be liable for any action taken by him/her in good faith in any emergency in furtherance of the ordinary affairs of the Corporation even though not authorized by the bylaws in effect.
- (g) These Emergency Bylaws shall be subject to repeal or change by further action of the Board of Directors, but no such repeal or change shall modify the provisions of the preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these Emergency Bylaws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

#### ARTICLE XVII — INDEMNIFICATION

1. Definitions. For purposes of this Article XIV, the following terms shall have the meanings set forth below:
  - (a) Proceeding. Any threatened, pending or completed action, suit or proceedings, whether civil, criminal, administrative or investigative and whether formal or informal;
  - (b) Indemnified Party. Any person who is or was a party or is threatened to be made a party to any proceeding by reason of the fact that he

is or was a Director or Officer of the Corporation or, while a Director or Officer of the Association, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

2. Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law.
3. Insurance. By action of the Board, notwithstanding any interest of the Directors in such action, the Association may purchase and maintain insurance, in such amounts as the Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him/her and incurred by him/her in his/hers capacity of or arising out of his/hers status as an Indemnified Party, whether or not the Association would have the power to indemnify him/her against such liability under applicable provisions of laws.
4. Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article XIV, such reasonable requirements and conditions as to the Board may appear appropriate in each specific case and circumstances including, without limitation, any one or more of the following: (a) that any counsel representing the person to be indemnified in connection with the defense or settlement of any proceeding shall be counsel mutually agreeable to the person to be indemnified and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the person to be indemnified; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's right of recovery, and that the person to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

#### CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of twenty three (23) pages, including this page, constitute the Bylaws of Beaver Creek Property Owners' Association, Inc., adopted by the Board of Directors of the Corporation as of December 18, 2013.

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Secretary/Treasurer

David Eickholt