

**FIRST AMENDMENT TO THE
BYLAWS OF SANDSTONE CREEK CLUB CONDOMINIUM ASSOCIATION, INC., a
Colorado corporation Not for Profit**

This Amendment to the Bylaws of Sandstone Creek Club Condominium Association, Inc. (the "**Amendment** ") is effective the 17th day of November, 2018 ("**Effective Date**"), and constitutes an amendment to the Bylaws of Sandstone Creek Club Condominium Association, Inc., a Colorado corporation not for profit ("**Association**") adopted October 24, 1997 (the "**Bylaws**").

WITNESSETH:

WHEREAS, C.R.S. § 7-127-207(2) requires that "[a]n amendment to the articles of incorporation or the bylaws that adds, changes, or deletes a lesser or a greater quorum requirement or a greater voting requirement shall meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect or proposed to be adopted, whichever is greater;" and

WHEREAS, Section 13.01 of the Bylaws provides that the Bylaws may be amended at any Regular or Special Meeting of the Association by a majority of MEMBERS,GS, provided such proposed amendment(s) are furnished to owners as part of their notice of the meeting; and

WHEREAS, at a duly called and noticed meeting of the Members, this First Amendment to the Bylaws was approved by a Majority of MEMBERS,GS, per Section 2.03 of the Bylaws and as required by C.R.S. 7-127-207(2) as certified by the Secretary of the Association in the Certificate attached to this Amendment.

NOW, THEREFORE, the Bylaws are hereby amended as follows with this Amendment to supersede and control over any contrary provision contained in the Bylaws. Except as expressly set forth in this Amendment, the Bylaws remain unchanged and in full force and effect. This Amendment shall hereafter be interpreted for all purposes as part of the Bylaws.

ARTICLE I – Object

Section 1.02 – Definitions – This Section is expanded to provide for the following additional definitions as well as to provide that any capitalized terms used in this Amendment to the Bylaws, if not specifically defined herein, shall have the meaning attributed to them in the Governing Documents and Colorado Law.

1.02.1 Association Member – refers to the Association as the Owner of Association Owned Units.

1.02.2 Association Owned Units - refers to any and all Units owned by the Association.

- 1.02.3 Board Majority Approval – means majority approval of the Board of Directors present at a meeting at which a quorum of the Board of Directors is present, in person or by proxy, per Section 4.14 of the Bylaws.
- 1.02.4 Colorado Ownership Act or COA – refers to the statutory regime codified at C.R.S. 38-33-101 et seq.;
- 1.02.5 Colorado Common Interest Ownership Act or Act – refers to the statutory regime codified at C.R.S. 38-33.3-101 et seq. only portions of which are applicable to the Association due to the Association pre-existing the adoption of the Act.
- 1.02.6 Colorado Revised Not for Profit Corporate Act or CRNCPA – refers to the statutory regime codified at C.R.S 7-127-101 et seq.
- 1.02.7 Colorado Law – refers collectively to COA, the Act and CRNCPA.
- 1.02.8 Governing Documents - refer to the following:
 - 1.02.8.1 Condominium and Interval Ownership Declaration for The Sandstone Creek Club Condominiums, as amended and supplemented;
 - 1.02.8.2 Map for The Sandstone Creek Club Condominium Association, Inc.;
 - 1.02.8.3 Bylaws of The Sandstone Creek Club Condominium Association, Inc.;
 - 1.02.8.4 Articles of Incorporation for The Sandstone Creek Club Condominium Association, Inc., a Colorado corporation not for profit ;
 - 1.02.8.5 Rules and Regulations Pertaining to Membership of The Sandstone Creek Club Condominium Association, Inc.
 - 1.02.8.6 Responsible Governance Policies as required by C.R.S. 38-33.3-209.5 for The Sandstone Creek Club Condominium Association, Inc. comprised of the following:
 - 1.02.8.6.1 Conflict of Interest Policy;
 - 1.02.8.6.2 Assessment Collection Policy and Procedure;
 - 1.02.8.6.3 Record Keeping Policy;
 - 1.02.8.6.4 Conduct of Meetings Policy;
 - 1.02.8.6.5 Reserve Investment Policy;
 - 1.02.8.6.6 Policy for Adoption and Amendment of Rules and Regulations;
 - 1.02.8.6.7 Policy for Enforcement of Covenants and Rules;
 - 1.02.8.6.8 Policy for Dispute Resolution;
 - 1.02.8.6.9 Reserve Study Policy.

ARTICLE II – Membership, Voting, Majority of Owners, Quorum, Proxies

Section 2.01 Membership – Section 2.01 of the Bylaws is hereby modified to add the following provisions:

“Association Owner shall, for all intents of purposes under the Governing Documents and Colorado Law, be considered and treated as an OWNER,GS regardless of the Association not paying Common Expenses allocated to Association Owned Units and subject to any restrictions on the voting rights of the Association Owner provided for in the Governing Documents and applicable Colorado Law including this First Amendment to the Bylaws.

Section 2.02 Voting. Section 2.10 is deleted in its entirety and replaced with the following:

Section 2.02 – Voting. There shall be the following three classes of voting Members in the Association. All MEMBERS,GS and Association Members shall be entitled to vote, if present in person or by proxy, on all matters except as otherwise provided in the Governing Documents or by Colorado Law. If ownership of any Condominium Unit or Unit Week shall be held of record by two or more Owners, then each such co-Owner must qualify as a MEMBER,GS of this Association and the co-MEMBERS,GS must determine between them as to the MEMBER,GS to vote their allocated vote(s).

2.02.1 Class A Member - Class A Members shall be the Owners of Condominium Units. Each Owner of a Condominium Unit who is a MEMBER,GS shall be allocated fifty Votes for each Condominium Unit owned;

2.02.2 Class B Member. Class B Members shall be the Owners of Interval Units and each Interval Owner, who is a MEMBER,GS shall be allocated one Vote for each Unit Week owned;

2.02.3 Class C Member – Class C Members shall be the Association Member which may vote as a Class A member for any Association Owned Units that are Condominium Units and as a Class B Member for any Association Owned Units that are Interval Units except that no voting shall be permitted for Unit Weeks 18 and 44. The following applies to Class C Member voting:

2.02.3.1 No Election of Board Members – Class C Members may not vote in the election of members to the Board of Directors or to elect members of Committees;

2.02.3.2 Quorum. Class C Member may be utilized to meet all Quorum requirements.

2.02.3.3 Designated Voting Member – The President of the Board of Directors shall be the Designated Voting Member for the Class C Member. The President of the Board of Directors may appoint another member of the Board of Directors as his or her proxy per the Governing Documents and Colorado Law if the President of the Board of Directors is not able to be present

in person at an Owner Meeting. Only a member of the Board of Directors may vote the Class C Member votes.

2.02.3.4 Voting Limitations – the following voting limitations and restrictions also apply to the Class C Member:

2.02.3.4.1 Majority Board Approval Required - The Designated Voting Member may only vote Class C Member votes in accordance with Majority Board Approval. If such approval cannot be achieved, whether for or against any voting item, there shall be abstention by the Class C Member from the vote.

2.02.2.4.2 Obsolescence – In the event of obsolescence of the Project per Article 31(e) of the Declaration, including financial obsolescence occasioned by an excess of Units becoming Association Owned Units, the Class C Member shall not be entitled to vote on Obsolescence under Article 31(e) of the Declaration and thereby comprise the percentage of votes required in Article 31(e) unless and until, after two (2) Member Special Meetings held and duly noticed for such purpose one of the following occurs:

2.02.2.4.2.1.1 At least Fifty percent (50%) of the Class A and Class B MEMBERS,GS have approved Obsolescence per Article 31(e);

2.02.2.4.2.1.2 The Board of Directors unanimously votes in favor of Obsolescence.

2.02.2.4.2.1.3 Fifty percent or more of the Units become Association Owned Units.

2.02.2.4.3 Revocation or Amendment of the Declaration – In the event of revocation or Amendment of the Declaration pursuant to Article 34 of the Declaration the Class C Member may vote in all instances except as follows:

2.02.2.4.3.1 Revocation - The Class C Member shall not be entitled to vote on Revocation of the Declaration under Article 34 of the Declaration and thereby comprise the percentage of votes required in Article 34 for said purpose unless and until, after two (2) Member Special Meetings held and duly noticed for such purpose one of the following occurs:

2.02.2.4.2.1.1 At least Fifty percent (50%) of the Class A and Class B MEMBERS,GS have approved Obsolescence per Article 31(e);

2.02.2.4.2.1.2 The Board of Directors unanimously votes in favor of Obsolescence.

2.02.2.4.2.1.3 Fifty percent or more of the Units become Association Owned Units.

2.02.2.4.3.2 Amendment - The Class C Member shall not be entitled to vote on an Amendment to the Declaration under Article

34 of the Declaration to remove Interval Estate Ownership at the Project; convert an Interval Unit to a Condominium Unit; sell Common Facilities and/or Common Property, or a portion thereof; or convert Common Facilities and/or Common Property, or a portion thereof to alternative uses unless and until, after two (2) Member Special Meetings held and duly noticed for such purpose, one of the following occurs:

2.02.2.4.3.1.1 At least Fifty percent (50%) of the Class A and Class B MEMBERS,GS have approved Obsolescence per Article 31(e);

2.02.2.4.3.1.2 The Board of Directors unanimously votes in favor of Obsolescence.

2.02.2.4.3.1.3 Fifty percent or more of the Units become Association Owned Units.

ARTICLE III – Administration

Section 3.03 Notice of Annual Meeting - This Section is expanded to authorize the Notice of the Annual Meeting to be provided to Members, as an alternative to mail, electronically to the electronic email address provided per Section 8.02 or in person.

ARTICLE V – Officers

Section 5.07 Treasurer – This Section is modified by changing the portion of the first paragraph that states, “assuring full Federal Insurance coverage on all on all deposits;” to read instead, “assuring full Federal Insurance coverage on all deposits, and/or United States government securities purchased directly from the Federal Reserve, the U.S. Treasury or through an FDIC insured bank.”

ARTICLE VIII – Obligation of Owners

Section 8.02 Registration of Mailing Address - This Section is expanded to provide that reference to mail include electronic mail; that each Owner’s registered mailing address include an email address; and for the Association, at the Association’s election, to use such registered email address, as opposed to physical mail, for delivery of statements, notices, demands, and all other communications.

IN WITNESS WHEREOF, the undersigned, being the President of Sandstone Creek Club Condominium Association, Inc., a Colorado corporation not for profit, hereby executes this First Amendment to the Bylaws of Sandstone Creek Club Condominium Association, Inc., a Colorado corporation not for profit, which shall be deemed effective on the Effective Date set forth above.

