

**BYLAWS OF
BRIGGS ENTERTAINMENT ASSOCIATION
Effective March 10, 2023**

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BRIGGS ENTERTAINMENT ASSOCIATION

The name of the corporation shall be Briggs Entertainment Association, a Colorado nonprofit corporation (the “**Association**”).

Article I. PURPOSE AND POWERS

Section 1.01 Purpose. The purpose of the Association is to promote entertainment activities in a Common Consumption Area within the Town of Erie, Colorado and within the Downtown Entertainment District (the “**District**”) as defined by the Board of Trustees in Ordinance No. 04-2017 (the “**Ordinance**”). All terms used in these Bylaws that are not otherwise defined herein shall have the meaning given to such terms in the Ordinance. The Association will operate the Common Consumption Area of the District in accordance with the requirements of the Ordinance and the provisions of C.R.S. §§ 44-3-103(15) and 44-3-301(11).

Section 1.02 Powers. The Association shall have all powers reasonably necessary to effectuate and perform its purposes as set forth in Section 1.01, irrespective of whether such powers are specifically enumerated herein. Without limiting the foregoing, the Association shall also have the power to exercise all rights granted to nonprofit corporations under the Colorado Revised Nonprofit Corporation Act (the “**Act**”).

Section 1.03 Assent. All present or future Members, and any other persons using the facilities within the District in any manner are subject to these Bylaws and any Rules and Regulations adopted by the Board pursuant to these Bylaws. Acquisition of a Liquor License (as defined below) shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said Rules and Regulations.

Article II. OFFICES

Section 2.01 Business Offices. The initial principal office of the Association shall be as stated in the Articles of Incorporation filed with the Colorado Secretary of State on March 10, 2023 (the “**Articles**”). The Association may change the location of its principal office at any time. The Association may have such other offices, either within or outside Colorado, as the board of directors may designate or as the affairs of the Association may require.

Section 2.02 Registered Office. The registered office required by the Colorado Revised Nonprofit Corporation Act (the “**Act**”) to be maintained in Colorado may be changed at any time by the Board or the officers of the Association, provided in either case that the street addresses of the registered office and of the business office or home of the registered agent of the Association are identical.

Article III. MEMBERS

Section 3.01 Members. Each licensee whose liquor license is attached to and operating within the Downtown Entertainment District (a “**Liquor License**”) shall be a member of the Promotional Association (each, a “**Member**”). Immediately upon a licensee losing its liquor license or permanently ceasing to operate its business within the District, such licensee shall cease to be a Member.

Section 3.02 Dues. Members may pay dues and fees to the Association to fund the operation of the Association in such amounts and frequency as determined by the Board from time to time.

Section 3.03 Transfer of Membership. A Member may not transfer or assign its rights or interests as a Member.

Section 3.04 Membership Certificates. No certificates of stock shall be issued by the Association.

Section 3.05 Voting Rights. Each Member shall be allocated one (1) vote in the Association.

Section 3.06 Designated Member and Registered Address.

(a) If the applicable Liquor License is held by more than one (1) individual, by a firm, corporation, partnership, association or other legal entity or any combination thereof, such individuals, entity, or entities shall, by written instrument executed by all such parties and delivered to the Association, appoint and authorize one (1) person to represent the Member. Such Member representative must be an owner or manager of the business holding the Liquor License and such representative shall have the authority to make decisions and take actions on behalf of the Member including, without limitation, the power to cast votes on behalf of the Member as a member of the Association and serve on the Board if elected. The Member shall be the person to whom all notices and deliveries are addressed.

(b) There shall be a registered mailing and email address associated with each Member. The Members shall furnish such mailing and email address to the Association. If no address is registered, then any notice shall be deemed duly given if delivered to the premises within the District owned or operated by the Member.

Article IV. MEETINGS OF MEMBERS

Section 4.01 Place of Meeting. Meetings of the Members shall be held at such place, within the State of Colorado, as the Board may determine.

Section 4.02 Annual Meeting. Regular meetings of Members may be held as directed by the Board. Annual meetings of the Members shall not be required except as required by the Act or other applicable law. Any annual meetings of the Members shall be held on a date and at a time selected by the Board each year.

Section 4.03 Special Meetings. Calls for special meetings of the Members may be made (i) by the president of the Association, (ii) by a majority of the Board, or (iii) by written instrument signed by Members representing a simple majority of all of the votes in the Association.

Section 4.04 Notice of Meetings. Written notice of each meeting shall be delivered, mailed, or emailed to the registered address of each Member entitled to be represented by a vote not fewer than two (2) nor more than sixty (60) days before the date of the meeting, by or at the direction of the president, or the secretary, or the persons calling the meeting as provided under these Bylaws. Such notice shall state (i) basic meeting information such as the place, day, and hour of the meeting and (ii) the items on the agenda for the meeting. No action shall be adopted at a meeting except as stated in the notice. Attendance at any meeting by a Member shall constitute a waiver of notice by that Member, except where a Member

attends the meeting for the expressed purpose of objecting that the meeting was not lawfully called or convened. Notice may be delivered by electronic means to the extent permitted by applicable law.

Section 4.05 Adjourned Meetings. If any meeting of the Members cannot be organized because a quorum, as defined below, is not present, the Members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.

Section 4.06 Proxies. A Member may cast its vote pursuant to a proxy duly executed by the applicable Member. A Member may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

Section 4.07 Quorum. Except as otherwise provided in these Bylaws, the presence at the beginning of the meeting in person or by proxy of the Members possessing sufficient votes to constitute 51% of the Association's total voting power shall constitute a quorum for a meeting of all Members, and such Members present in person or by proxy shall constitute the Members entitled to vote upon any issue presented at a meeting at which a quorum is present.

Section 4.08 Voting. Except as otherwise required by the Act or by these Bylaws, the votes of Members who are present either in person or by proxy at any duly convened meeting of the Association at which a quorum has been established and who cast a simple majority of the total votes eligible to be voted by such present or represented Members shall decide any question under consideration, and shall constitute the act of and be binding upon the Association.

Section 4.09 Waiver of Meeting and Consent to Action. Whenever the vote of Members at a meeting of the Association is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association (including, without limitation, an annual meeting) the meeting and vote of Members may be dispensed with and the action in question may be approved if (a) notice of the proposed action is given to all Members eligible to vote, and (b) a sufficient number of Members eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question. A sufficient number is at least the number required to satisfy the voting power that would be necessary to approve the action at a meeting.

Section 4.10 Action by Written Ballot. Any action that may be taken at any annual or special meeting of Members (including, without limitation, an annual meeting) may be taken without a meeting and through voting by written (including electronic) correspondence, if and to the extent permitted by the Act. A written ballot delivered to the Association pursuant to this Section may not be revoked. Action taken under this Section has the same effect as action taken at a meeting of Members and may be described as such in any document.

Section 4.11 Record Date. The Board is authorized to fix a record date with respect to any annual meeting and special meeting of the Members for the purposes of determining the members of the Association in good standing and entitled to notice of the meeting, for determining the members entitled to vote at the meeting and for determining the members entitled to exercise any right in respect of any other lawful action.

Article V. BOARD OF DIRECTORS

Section 5.01 General Powers. Except as otherwise provided in the Act, the Articles, or these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed by, its board of directors (the "Board").

Section 5.02 Qualifications, Number, Election and Tenure.

(a) Qualifications. Each director must be a natural person who is 21 years of age or older who is an owner, manager, or employee of a Member.

(b) Number and Appointment. Each Member shall be entitled to appoint one director of the Board.

(c) Tenure. Directors shall serve on the Board for a period of one (1) year, provided that if a Member does not provide the Association with a written notice specifying a new director, it shall be presumed that the director previously representing such Member has been reappointed for an additional term. Upon a Member ceasing to be a Member as otherwise provided in these Bylaws, the director appointed by such Member shall immediately be deemed to have resigned from the Board and shall have no further rights or obligations as a member of the Board.

Section 5.03 Resignation; Removal; Vacancies. Any director may resign at any time by giving written notice to the president, the secretary, or the treasurer of the Association. A director's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A director shall be deemed to have resigned as provided in Section 5.02 as well as in the event of such director's incapacity as determined by a court of competent jurisdiction. Any director may be removed at any time, with or without cause, by the Member who designated such director to serve on the Board. Any vacancy of a director shall be deemed filled by the Member entitled to appoint the director.

Section 5.04 Regular Meetings. Regular meetings of the Board may be held throughout the year, on the dates and at the time and place, either within or outside Colorado, as determined by the Board, for the purpose of electing officers and for the transaction of such other business as may come before the meeting.

Section 5.05 Special Meetings. Special meetings of the Board may be called by or at the request of the president or a majority of the directors of the Board. The person or persons authorized to call special meetings of the board of directors may fix the time and place, either within or outside Colorado, for holding any special meeting of the board called by them.

Section 5.06 Notice of Meetings. Notice of each meeting of the Board stating the date, time and place of the meeting will be given to each director at such director's business or residential address at least five (5) days prior to the meeting by the mailing of written notice by first class, certified or registered mail, or at least two (2) days prior to the meeting by personal delivery or private carrier of written notice, or by telephone, facsimile, electronic transmission or any other form of wire or wireless communication (and the method of notice need not be the same as to each director). Written notice is effective at the earliest of: (i) the date received; (ii) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed correctly addressed and with first class postage affixed; and (iii)

the date shown on the return receipt, if mailed by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee. Oral notice is effective when communicated in a comprehensible manner. If transmitted by facsimile, electronic transmission or by other form of wire or wireless communication, notice is deemed given when the transmission is complete. A director may waive notice of any meeting before or after the time and date of the meeting stated in the notice. A director's attendance at or participation in a meeting waives any required notice to that director of the meeting except as otherwise provided in the Act.

Section 5.07 Quorum and Voting. A majority of the directors in office immediately before a meeting begins constitutes a quorum for the transaction of business at any meeting of the Board, and the vote of a majority of the directors present in person at a meeting at which a quorum is present is the act of the Board, unless otherwise required by the Act, the Articles or these Bylaws. If less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum is present.

Section 5.08 Voting by Proxy. For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a director may 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 the other director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this Section and as permitted by Section 5.13, directors may not vote or otherwise act by proxy.

Section 5.09 Compensation. Directors shall not receive compensation for their services as such. However, the reasonable expenses of directors of attendance at Board meetings may be paid or reimbursed by the Association. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Association in any other capacity.

Section 5.10 Committees. By one or more resolutions adopted by the vote of a majority of the directors present in person at a meeting at which a quorum is present, the Board may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the Board, except as prohibited by the Act. The delegation of authority to any committee shall not operate to relieve the Board or any member of the Board from any responsibility or standard of conduct imposed by applicable law or these Bylaws. Rules governing procedures for meetings of any committee shall be the same as those set forth in these Bylaws or the Act for the Board unless the Board or the committee itself determines otherwise.

Section 5.11 Advisory Boards. The Board may from time to time form one or more advisory boards, committees or other bodies composed of such members, having such rules of procedure, and having such chair, as the Board, as the case may be, shall designate. The name, objectives and responsibilities of each such advisory board, and the rules and procedures for the conduct of its activities, shall be determined by the Board. An advisory board may provide such advice, service and assistance to the Association, and carry out such duties and responsibilities for the Association as may be specified by the Board; except that, such advisory board may not exercise any power or authority reserved to the Board by the Act, the Articles, or these Bylaws. Further, no advisory board shall have authority to incur any

corporate expense or make any representation or commitment on behalf of the Association without the express approval of the Board or the president of the Association.

Section 5.12 Meetings by Telephone. Members of the Board or any committee thereof may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 5.13 Action Without a Meeting.

(a) Any action required or permitted to be taken at a meeting of the Board or any committee thereof may be taken without a meeting if each and every member of the board or committee in writing either: (i) votes for such action; (ii) votes against such action; or (iii) abstains from voting. Each director or committee member who delivers a writing described in this Section to the Association shall be deemed to have waived the right to demand that action not be taken without a meeting.

(b) Action is taken under this Section only if the affirmative vote for such action equals or exceeds the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted.

(c) No action taken pursuant to this Section shall be effective unless writings describing the action taken and otherwise satisfying the requirements of Section 5.13(a), signed by all directors and not revoked pursuant to Section 5.13(d), are received by the Association. Any such writing may be received by the Association by electronically transmitted facsimile or other form of wire or wireless communication providing the Association with a complete copy of the document, including a copy of the signature on the document. Action taken pursuant to this Section shall be effective when the last writing necessary to effect the action is received by the Association unless the writings describing the action taken set forth a different effective date.

(d) Any director who has signed a writing pursuant to this Section may revoke such writing by a writing signed and dated by the director describing the action and stating that the director's prior vote with respect thereto is revoked, if such writing is received by the Association before the last writing necessary to effect the action is received by the Association.

(e) Action taken pursuant to this Section has the same effect as action taken at a meeting of the Board and may be described as such in any document.

(f) All signed written instruments necessary for any action taken pursuant to this Section shall be filed with the minutes of the meetings of the Board.

Article VI. OFFICERS AND AGENTS

Section 6.01 Designation and Qualifications. The officers of the Board shall be a president, one or more vice presidents, a secretary, and a treasurer. The Board may also elect or appoint such other officers, assistant officers and agents as they may consider necessary or useful. One person may hold more than one office at a time. All officers must be natural persons who are 21 years of age or older.

Section 6.02 Election/ Appointment and Term of Office. The Board, or an officer or committee to which such authority has been delegated by the Board, shall elect the officers at or in conjunction a meeting of the Board each year of directors. If the election and appointment of officers shall not be held at or in conjunction with such meeting, such election or appointment shall be held as soon as convenient thereafter. Each officer shall hold office from the end of the meeting at or in conjunction with which such officer was elected or appointed until such officer's successor shall have been duly elected or appointed and shall have qualified, or until such officer's earlier death, resignation or removal. Notwithstanding the foregoing, for purposes of ensuring efficient initial operations of the Association, the term of the initial president shall be two (2) years.

Section 6.03 Compensation. Officers shall not receive compensation for their services as such. However, the reasonable expenses of officers of attendance at Board meetings may be paid or reimbursed by the Association. Officers shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Association in any other capacity.

Section 6.04 Removal. All officers may be removed by the Board at any time, with good cause shown. Such removal shall not affect the contract rights, if any, of the person so removed. Election, appointment or designation of an officer or agent shall not itself create contract rights.

Section 6.05 Vacancies. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the Association, by giving written notice to the president or to the Board. An officer's resignation shall take effect upon receipt by the Association unless the notice specifies a later effective date, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. An officer shall be deemed to have resigned in the event of such officer's incapacity as determined by a court of competent jurisdiction. A vacancy in any office, however occurring, may be filled by the Board, or by any officer or committee to which such authority has been delegated by the Board, for the unexpired portion of the term. If a resignation is made effective at a later date, the Board or the voting member, as the case may be, may permit the officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board may remove the officer at any time before the effective date and may fill the resulting vacancy. Notwithstanding the foregoing, an officer who ceases to be a Member (or the owner, manager, or employee of a Member) shall be deemed to have immediately resigned from any officer position held within the Association.

Section 6.06 Authority and Duties of Officers. The officers of the Association shall have the authority and shall exercise the powers and perform the duties specified below, except that in any event each officer shall exercise such powers and perform such duties as may be required by applicable law.

(a) President. The president shall, subject to the direction and supervision of the Board: (i) be the chief executive officer of the Association and have general and active control of its affairs and business and general supervision of its officers, agents and employees; (ii) preside at all meetings of the Board; (iii) see that all resolutions of the Board are carried into effect; and (iv) perform all other duties incident to the office of president and as from time to time may be assigned to such office by the Board.

(b) Vice President(s). The Board may appoint one or more vice presidents, the roles of which vice presidents shall be as defined by the Board. If the president is unable to perform his or her duties at any meeting or otherwise becomes incapacitated, the vice presidents (acting by majority) shall designate one (1) of their members to perform the duties of president until the earlier to occur of (i) the president regains capacity to perform his or her duties, or (ii) the Board selects a new president.

(c) Secretary. The secretary shall: (i) keep the minutes of the proceedings of the Board and any committees of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by applicable law; (iii) be custodian of the corporate records; and (iv) in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to such office by the president or by the Board. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the secretary.

(d) Treasurer. The treasurer shall (i) be the chief financial officer of the Association and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board; (ii) receive and give receipts and acquittances for moneys paid in on account of the Association, and pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the Association and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the president and the Board statements of account showing the financial position of the Association and the results of its operations; (iv) monitor compliance with all requirements imposed on the Association as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code; (v) upon request of the Board, make such reports to it as may be required at any time; and (vi) perform all other duties incident to the office of treasurer and such other duties as from time to time may be assigned to such office by the president or the Board. Assistant treasurers, if any, shall have the same powers and duties, subject to the supervision by treasurer.

Section 6.07 Agents. In addition to the appointment of officers, the Association may engage a managing agent to oversee and coordinate day-to-day operations of the Association. The terms of such engagement shall be as set forth in a separate management agreement between the Association and such managing agent, as approved by the Board. Any such managing agent shall have such authority and power to bind and act on behalf of the Association as set forth in such management agreement.

Section 6.08 Surety Bonds. The Board may require any officer or agent of the Association to execute to the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of such person's duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Association.

Section 6.09 Authority. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any person or persons as may be designated by resolution of the Board.

Article VII. FIDUCIARY MATTERS

Section 7.01 Indemnification.

(a) Scope of Indemnification. The Association shall indemnify each director, officer, employee and volunteer of the Association to the fullest extent permissible under the laws of the State of Colorado, and may in its discretion purchase insurance insuring its obligations hereunder or otherwise protecting the persons intended to be protected by this Section. The Association shall have the right, but shall not be obligated, to indemnify any agent of the Association not otherwise covered by this Section to the fullest extent permissible under the laws of the State of Colorado.

(b) Savings Clause; Limitation. If any provision of the Act or these Bylaws dealing with indemnification shall be invalidated by any court on any ground, then the Association shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of the Act or these Bylaws that shall not have been invalidated. Notwithstanding any other provision of these Bylaws, the Association shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the Association as a nonprofit corporation organization described in the Act.

Section 7.02 General Standards of Conduct for Directors and Officers.

(a) Discharge of Duties. Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the Board, and each officer with discretionary authority shall discharge the officer's duties under that authority (i) in good faith; (ii) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (iii) in a manner the director or officer reasonably believes to be in the best interests of the Association.

(b) Reliance on Information, Reports, Etc. In discharging duties, a director or officer is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers or employees of the Association whom the director or officer reasonably believes to be reliable and competent in the matters presented; (ii) legal counsel, a public accountant or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence; or (iii) in the case of a director, a committee of the Board of which the director is not a member if the director reasonably believes the committee merits confidence. A director or officer is not acting in good faith if the director or officer has knowledge concerning the matter in question that makes reliance otherwise permitted by this Section unwarranted.

(c) Liability to Association or the Members. A director or officer shall not be liable as such to the Association or any Member for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of the position in compliance with this Section.

(d) Director Not Deemed to Be a "Trustee". A director, regardless of title, shall not be deemed to be a "trustee" within the meaning given that term by trust law with respect to the Association or with respect to any property held or administered by the Association including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

Section 7.03 Conflicts of Interest.

(a) Definition. A conflict of interest arises when any "responsible person" or any "party related to a responsible person" has "an interest adverse to the Association." A "responsible person" is any individual in a position to exercise substantial influence over the affairs of the Association, and specifically includes, without limitation, directors and officers of the Association. A "party related to a responsible person" includes his or her extended family (including spouse, ancestors, descendants and siblings, and their respective spouses and descendants), an estate or trust in which the responsible person or any member of his or her extended family has a beneficial interest or a fiduciary responsibility, or an entity in which the responsible person or any member of his or her extended family is a director, trustee or officer or has a financial interest. "An interest adverse to the Association" includes any interest in any contract, transaction or other financial relationship with the Association, and any interest in an entity whose best interests may be impaired by the best interests of the Association including, without limitation, an entity providing any goods or services to or receiving any goods or services from the Association, an entity in which the Association has any business or financial interest, and an entity providing goods or services or performing activities similar to the goods or services or activities of the Association. For the avoidance of any doubt, however, a conflict of interest shall not be deemed to exist merely as a result of a director or Member operating a business (or being associated with the operation of such a business) within the boundaries of the District that competes for customers with the business of another Member or director.

(b) Disclosure. If a responsible person is aware that the Association is about to enter into any transaction or make any decision involving a conflict of interest, (a "conflicting interest transaction"), such person shall: (i) immediately inform those charged with approving the conflicting interest transaction on behalf of the Association of the interest or position of such person or any party related to such person; (ii) aid the persons charged with making the decision by disclosing any material facts within the responsible person's knowledge that bear on the advisability of the Association entering into the conflicting interest transaction; and (iii) not be entitled to vote on the decision to enter into such transaction.

(c) Approval of Conflicting Interest Transactions. The Association may enter into a conflicting interest transaction provided either:

(i) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Board or to a committee of the Board that authorizes, approves or ratifies the conflicting interest transaction, and the Board or committee in good faith authorizes, approves or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors on the Board or committee, even though the disinterested directors are less than a quorum; or

(ii) The material facts as to the responsible person's relationship or interest and as to the conflicting interest transaction are disclosed to or are known by the Members, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of a majority of the Members; or

(iii) The conflicting interest transaction is fair as to the Association.

(d) Quorum. For the avoidance of any doubt, common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

Section 7.04 Liability of Directors for Unlawful Distributions.

(a) Liability to Association. A director who votes for or assents to a distribution made in violation of the Act or the Articles shall be personally liable to the Association for the amount of the distribution that exceeds what could have been distributed without violating the Act or the Articles if it is established that the director did not perform the director's duties in compliance with the general standards of conduct for directors set forth in Section 7.02.

(b) Contribution. A director who is liable under Section 7.04(a) for an unlawful distribution is entitled to contribution: (i) from every other director who could be liable under Section 7.04(a) for the unlawful distribution; and (ii) from each person who accepted the distribution knowing the distribution was made in violation of the Act or the Articles, to the extent the distribution to that person exceeds what could have been distributed to that person without violating the Act or the Articles.

Section 7.05 Loans to Directors and Officers Prohibited. No loans shall be made by the Association to any of its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of such loan until the repayment thereof.

Article VIII. RECORDS OF THE ASSOCIATION

Section 8.01 Minutes, Etc. The Association shall keep as permanent records minutes of all meetings of the voting member and board of directors, a record of all actions taken by the voting member or Board without a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of the Members and of the Board or any committee of the Board.

Section 8.02 Accounting Records. The Association shall maintain appropriate accounting records.

Section 8.03 Membership List. The Association shall maintain a record of the Members as required by the Act.

Section 8.04 Records In Written Form. The Association shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

Section 8.05 Records Maintained at Principal Office. The Association shall keep a copy of each of the following records at its principal office:

- (a) The Articles;
- (b) These Bylaws;
- (c) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations and obligations of the Members;
- (d) The minutes of all meetings of the Member, and records of all action taken by the Members without a meeting, for the past three (3) years;
- (e) All written communications within the past three (3) years to the Members relating to the Association or the District;
- (f) A list of the names and business or home addresses of the current directors and officers;
- (g) A copy of the most recent corporate report delivered to the Colorado Secretary of State
- (h) All financial statements prepared for periods ending during the last three (3) years;
- (i) All other documents or records required to be maintained by the Association at its principal office under applicable law or regulation, including, without limitation, any documents or records necessary to prove compliance with the requirements of the Resolution.

Article IX. MISCELLANEOUS

Section 9.01 Fiscal Year. The fiscal year of the Association shall be as established by the Board.

Section 9.02 Conveyances and Encumbrances. Property of the Association may be assigned, conveyed or encumbered by such officers of the Association as may be authorized to do so by the Board, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Association shall be authorized only in the manner prescribed by applicable law.

Section 9.03 Amendments. These Bylaws may be amended only by the unanimous approval of the Board.

Section 9.04 Principles of Construction. Words in any gender shall be deemed to include the other gender; the singular shall be deemed to include the plural and vice versa; the words "pay" and "distribute" shall also mean assign, convey and deliver; and the table of contents, headings and underlined paragraph titles are for guidance only and shall have no significance in the interpretation of these Bylaws.

Section 9.05 Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.