

**BYLAWS
OF
LAKE DILLON CONDOMINIUMS, INC.**

RECITALS

Lake Dillon Condominiums, Inc., a Colorado nonprofit corporation, amends and restates its Bylaws effective on the _____ day of _____, 2015.

**ARTICLE I
NAME AND LOCATION**

The name of the corporation is Lake Dillon Condominiums, Inc., (the "Association"), a Colorado nonprofit corporation, with its principal office located at _____, and a mailing address of _____. The Association may also have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Board of Directors (the "Board") may from time to time determine.

**ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT**

Section 2.1 Definitions. "Declaration" means the Amended and Restated Declaration of Lake Dillon Condominiums recorded _____ at Reception No. _____ in the Summit County records, and all subsequent amendments. Unless otherwise defined, the capitalized terms used in these Bylaws have the meanings given to them in the Declaration.

Section 2.2 Purposes. The specific purposes for which the Association is formed are (i) to provide for the operation, administration, use and maintenance of the Units and the Common Elements within the Community; (ii) to preserve, protect and enhance the values and amenities of such property; and (iii) to promote the health, safety and welfare of the Owners and users of the Property.

Section 2.3 Assent. All Owners, their families, tenants, and their guests and invitees, and any other person occupying a Unit or using the facilities of the Property in any manner are subject to the Governing Documents which include the Declaration, the Map, the Articles of Incorporation for Lake Dillon Condominiums, Inc. (the "Articles"), these Amended and Restated Bylaws and any procedures, rules or policies the Board adopts. The acquisition or rental of any of the Units in the Property or the occupancy of any Unit will constitute ratification and acceptance of these Amended and Restated Bylaws and an agreement to comply with all Governing Documents.

**ARTICLE III
MEMBERSHIP**

Section 3.1 Membership. Every person who is a record Owner of a Unit is a Member of the Association.

Section 3.2 Voting Privileges. The Members on each floor of the Building will each have 12 votes; the 24 Owners of Units on the first and second floors will each have one vote per Unit and the 6 Owners of the Units on the third floor will each have 2 votes per Unit.

a. When more than one person holds an interest in any Unit, all such persons are Members. The votes for such Unit will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the votes allocated to their Unit may be cast only in accordance with the agreement of a majority interest of the Owners present or by proxy, and if a majority of the Owners cannot agree, then the Owners of such Unit will not be entitled to vote. Any one of the Co-Owners may cast the votes allocated to that Unit unless any of the other Co-Owners protests promptly to the person presiding over the meeting.

b. A Member will only be in good standing and entitled to vote at any annual or special meeting if all Assessments levied against the Member's Unit are paid in full.

Section 3.3 Responsibility of Members. Any person who becomes an Owner is automatically a Member and subject to the Governing Documents. Membership terminates without any formal Association action whenever a person ceases to own a Unit, but termination will not relieve or release any former Owner from any liability or obligation incurred under the Governing Documents or in any way connected with the Association during the period of Ownership, or impair any rights or remedies which the Board, or other Members may have against such former Owner arising out of Ownership of the Unit or Membership in the Association and the covenants and obligations incident thereto.

Section 3.4 Owner Education. The Association will provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of Owners, the Association, and the Board under Colorado law. The Board will determine the criteria for compliance with this section.

ARTICLE IV **ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES**

Section 4.1 Place and Frequency of Meetings. Member Meetings will be held at least once each year at a place in Summit County, Colorado as the Board may determine. All Association meetings are open to every Owner or to any person designated by an Owner in writing as the Owner's representative.

Section 4.2 Annual Meetings. Each annual Member meeting will be held on a date and at a time set by the Board. The purpose of the annual meeting is for the election of the Board and the transaction of other Association business that may properly come before the meeting.

Section 4.3 Special Meetings. Special Member meetings may be called at any time by the President of the Association, the Board of Directors, or upon written request of Members who are entitled to vote at least one-third (1/3) of all votes in the Association.

Section 4.4 Notice of Member Meetings. Not less than ten (10) or more than fifty (50) days in advance of any Member meeting, the President or Secretary must cause notice to be delivered to all Owners as provided in the Responsible Governance Policies and Procedures. The notice of any meeting must be physically posted in a conspicuous place to the extent feasible, in addition to any electronic posting of electronic mail notices that may be given. The final notice must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Governing Documents, any budget changes, and any proposal to remove an officer or Director. The Association will provide notice by electronic mail to all Members who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting will be given as soon as possible but at least forty-eight (48) hours before the meeting.

Section 4.5 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, a majority of the total Membership votes constitutes a quorum for any action, except as otherwise provided in the Governing Documents. If, however, a quorum is not present or represented at any meeting, the Members entitled to vote will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented.

Section 4.6 Actions Binding on Members. A majority of votes cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding on all Members, unless any statute, or the Governing Documents, expressly requires a different number or method of voting. As used in these Amended and Restated Bylaws, the term "majority" will mean those votes, Members, or other groups as the context may indicate totaling more than 50% of the total number.

Section 4.7 Voting. Voting may be by voice, by show of hands, by consent, by electronic means, by directed proxy, by written ballot, or as otherwise determined by the Meeting Chair present at a meeting where a vote is to be taken. A secret ballot is required for all contested Board positions and for any vote as determined by the Board or upon the request of 20% or more Owners.

a. A neutral third party or randomly selected non-candidate Owners will count ballots. The results of the vote will be reported without reference to names, addresses, or other identifying information.

b. The Association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Owner.

Section 4.8 Voting by Written Ballot or Electronic Communication. The Board may decide that voting of the Members on any matter required or permitted by Colorado law, the Articles, or these Amended and Restated Bylaws will be by e-mail, facsimile or other electronic communication. Pursuant to the Colorado Revised Nonprofit Corporation Act ("CRNCA"), any action that may be taken at any annual, regular or special Member meeting may be taken without a meeting if the Secretary delivers a written ballot to every Member entitled to vote on the matter.

a. A written ballot will: (i) set forth each proposed action; and (ii) provide an opportunity to vote for or against each proposed action. Written ballot approval is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

b. All solicitations for votes by written ballot will: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of Directors; (iii) specify the time by which a ballot must be received by the Board in order to be counted; and (iv) be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter.

c. A written ballot may not be revoked.

Section 4.9 Informal Action by Members. Any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

Section 4.10 Proxies. Any Member may cast their vote in person or by proxy appointed in conformance with C.R.S. §7-127-203. No proxy will be valid if it is not dated, if it purports to be revocable without notice or if it is obtained through fraud or misrepresentation. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary at or before the appointed time of the meeting at which the proxy will be voted.

Section 4.11 Designation of Voting Representative by Non-Individual Owners-Requirement for Proxy. If title to a Unit is held in whole or in part by a firm, corporation, partnership, association, limited liability company or other legal entity, the voting privilege appurtenant to that Ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary, and appointing and authorizing one person or alternate persons who is a Member, shareholder or beneficiary of the entity to attend all regular or special Member meetings and to cast the vote allocated to that Unit at the meeting.

Section 4.12 Waiver of Notice. Waiver of notice of a Member meeting is the equivalent of proper notice. Any Member who furnishes his e-mail address to the Association that the Association delivers notice to waives any notice by mailing or personal delivery. Any Member may waive, in writing, notice of any Member meeting, either before or after the meeting. A Member's attendance at a meeting, whether in person or by proxy, is the Member's waiver of notice of the time, date and place of the meeting unless the Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting is also waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting without proper notice, is raised before the business is put to a vote.

Section 4.13 Teleconference. Any regular or special Member meeting may be conducted to permit a Member to participate by teleconference or other electronic means whereby all participants in the meeting can hear one another.

Section 4.14 Order of Business. The Board may establish the order of business at all Board or Member meetings. The Meeting Chair may revise the agenda as necessary.

ARTICLE V
BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

Section 5.1 Number, Qualification and Term. The Board of Directors, consisting of seven (7) Members, who will manage the affairs of the Association. A delegates of an entity Member appointed by proxy may also serve on the Board. The term of office will be two (2) years or until a successor is elected or appointed or until there is a decrease in the number of Directors. The terms of office will be staggered so that the terms of three Directors will expire in even years and terms of four Directors expire in odd years.

Section 5.2 Voting Procedures Generally. In the election of the Board of Directors, each Member will have the right to vote the number of votes to which he is entitled for as many persons as there are Directors to be elected. Cumulative voting will not be allowed.

Section 5.3 Removal and Replacement of Directors.

a. By the Members. Any Director may be removed, with or without cause, at any regular or special Member meeting. A successor to any removed Director will be elected at the meeting to fill the vacancy. A Director whose removal is proposed by the Members will be given notice of the proposed removal at least ten (10) days prior to the date of the meeting and will be given an opportunity to be heard at that meeting.

b. By the Board. Any Director may be removed by a majority vote of the Board with or without cause, and the Board may appoint a successor. In the event of a Director's death, disability, resignation or sale of Unit, the Board may declare a vacancy and appoint a successor to serve for the remainder of the term of the replaced Director.

Section 5.4 Compensation. No Director will receive compensation for service as a Director. However, Directors may be reimbursed for actual, reasonable expenses incurred on behalf of the Association. The Association may compensate a Director, or any entity with which a Director is affiliated, for services or supplies furnished to the Association in a capacity other than as a Director pursuant to a contract or agreement with the Association, provided that such Director's interest is disclosed and approved.

ARTICLE VI
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 General. The Board has the powers and duties necessary for the administration of the affairs of the Association, operation and maintenance of a first class residential project, and as further specified in CCIOA, the Condominium Ownership Act and the CRNCA. Except as the Governing Documents or applicable laws provide, the Board may do all acts and things that are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 6.2 Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 6.1 above, the Board has the following powers and duties, in each case subject to applicable requirements of the Governing Documents and law:

a. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Governing Documents.

b. To establish, make or amend reasonable rules, regulations and policies from time to time and enforce compliance with such reasonable rules, regulations and policies as may be necessary for the operation, use and occupancy of the Property, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered, mailed by U.S. mail, posted on the Association's website, or by e-mail to each Member promptly after adoption. The Board will review all rules, regulations and policies to ensure conformance with applicable law and the current needs of the Property at each annual meeting when officers are elected.

c. To keep in good order, condition and repair the Common Elements and items of personal property, if any, used in the enjoyment of the Common Elements. No approval of the Members is required for expenditures for these purposes, except as the Declaration or these Amended and Restated Bylaws otherwise require.

d. *To fix, determine, levy, and collect the prorated annual Assessments each Member will pay towards the gross expenses of the Property, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.*

e. To the extent permitted by law, levy and collect special Assessments whenever, in the opinion of the Board, it is necessary to do so as provided in the Declaration.

f. *To levy and collect default Assessments because the Association has incurred an expense on behalf of a Member under the Governing Documents.*

g. *To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner, and to exercise other remedies for delinquent Assessments as set forth in the Governing Documents.*

h. To fix, determine, levy and collect the working capital funds each Member will pay towards the working capital account of the Association, and to propose, decreases or increases in the amount of working capital funds collected from each Member as provided in the Declaration.

i. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Amended and Restated Bylaws, and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board may deem necessary and such indebtedness will be the several obligation of all Owners in the same proportions as they share Common Expenses.

j. *To dedicate, sell or transfer all or any part of the Common Elements to any public, governmental or quasi-governmental agency, authority, or utility for such purpose and subject to such conditions as may be agreed to by the Members, and subject to such additional limitations as may be set forth in the Declaration, including without limitation the requirement of obtaining the prior approval of Members holding 67% of the votes in the Association.*

k. *To enter into contracts within the scope of their duties and powers.*

l. To establish a bank account for the operating account of the Association and for the reserve funds and adopt an investment policy for reserve funds as required or deemed advisable by the Board.

m. To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagees during convenient weekday business hours.

n. To cause any and all access roads, parking areas, and roadways in and to the Property and across the Property to be maintained, repaired and replaced as necessary to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

o. To maintain and remove snow from any and all driveways, roadways and parking areas at the Property and to maintain and replace as necessary the landscaping, lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Property for the benefit of the Members.

p. To cause to be maintained the insurance coverage (including without limitation fidelity or crime insurance, or in its place, a bond covering the Manager, the Board, the officers and any other persons charged with handling Association funds) as may be necessary to comply with the requirements of the Declaration, these Amended and Restated Bylaws and applicable law.

q. In general, to carry on the administration of the Association and to do all those things necessary and responsible in order to carry out the communal aspects of ownership, all in accordance with the Declaration and applicable requirements of Colorado law.

r. To delegate to a Manager, or any other person or entity, such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (f), (g), (i), (k) or (s) of this Section (*in italic*) are duties reserved to the Board by law and may not be delegated.

s. *To designate and remove personnel necessary for the operation, maintenance, repair and replacement of the Common Elements.*

t. To prepare a budget before the close of each fiscal year of the Association and submit the budget to the Association as required by CCIOA.

u. To authorize as a Common Expense reimbursement of Directors for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of common interest owners associations. The course content of such educational meetings and seminars will be specific to Colorado, and will make reference to applicable sections of CCIOA.

Section 6.3 Manager. The Board may designate a Director or employ a professional management agent or agents as Manager for compensation established by the Board, to perform such duties and services as authorized by the Board. The Board may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board by these Amended and Restated Bylaws, other than the powers set forth in subparagraphs (d), (f), (g), (i), (k) or (s) of Section 6.2 of this Article and duties reserved to the Board by law. If the Board delegates powers of the Board or officers relating to collection, deposit, transfer or disbursement of the Association funds to the Manager, then subparagraphs (a) through (e) below will apply.

a. Fidelity Insurance. The Association will maintain fidelity or crime insurance coverage or a bond providing the same type of insurance as described in the Declaration in an amount not less than the greater of (i)50,000, (ii) the amount of three month's current Assessments plus reserves, as calculated from the current budget of the Association, on all Units in the Property, or (iii) such higher amount as the Board may require.

b. Maintain Association Accounts. The Manager will maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Manager and will maintain all reserve accounts of each association so managed separate from operational accounts of the Association, each with appropriate access controls, and the bank where the accounts are located must send copies of monthly bank statements directly to the Association. Unless the Board gives express authorization, the Manager will not have authority to draw checks on, or transfer funds from, the Association's reserve account.

c. Accounting and Financial Information. Accounting, financial records and an audit or review will be prepared and presented as provided in the Responsible Governance Policies.

d. Management Agreement. If a Manager is employed, the management agreement must be for a specified term (not to exceed three (3) years) and must contain specific termination provisions. Such termination provisions may not require the payment of any penalty for termination for cause or require advance notice of termination without cause in excess of ninety (90) days. The Association has the right to renegotiate or terminate the management agreement without cause as provided in CCIOA.

e. Right of Entry. The Manager will have the right to enter each Unit in case of any emergency originating in or threatening such Unit whether or not the Owner or occupant is present at the time. Such authorized persons will also have the right to enter each Unit to perform maintenance and repair work as prescribed by these Amended and Restated Bylaws and the Declaration.

ARTICLE VII **BOARD MEETINGS**

Section 7.1 Regular Meetings. Regular Board meetings will be held at such time and place as shall

be determined, from time to time, by a majority of the Board, but such meetings will be held no less frequently than annually. Notice of Regular Board meetings shall be given to each Director, personally or by mail, telephone or electronically, at least three (3) days prior to the day of such meeting.

Section 7.2 Special Meetings. Special Board meetings will be held when called by the President, or by at least two (2) Directors, after not less than three (3) days' notice given to each Director, personally or by mail, telephone or electronically.

Section 7.3 Quorum. A quorum is deemed present throughout any Board meeting if persons entitled to cast a majority of the votes on the Board are present, in person or by proxy, at the beginning of the meeting. If at any Board meeting there is less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 7.4 Agendas, Member Attendance and Comment. All Members or their representatives may attend all regular and special Board or committee meetings. Agendas for Board meetings will be made reasonably available for examination by all Members or their representatives. The Board will post agendas on the Association website. Meeting notices and agendas will be sent by email to all Members upon request. Before the Board votes on any issue the Chairman will permit Members or their representatives to speak regarding the issue, subject to reasonable time limits on persons speaking. If more than one person desires to comment with opposing views, the Board will permit a reasonable number of persons to speak on each side of an issue.

Section 7.5 Executive Sessions. The Board of Directors or any committee thereof may hold an executive or closed door session and may restrict attendance to Directors and such other persons the Board requests during a regular or specially announced meeting.

- a. The matters to be discussed at such an executive session are as follows:
 - i. Matters pertaining to employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;
 - ii. Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
 - iii. Investigative proceedings concerning possible or actual criminal misconduct;
 - iv. Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; and
 - v. Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.
- b. No amendment of the Articles, Bylaws or a rule or regulation may be adopted during an executive session. The minutes of all meetings at which an executive session was held will indicate that an executive session was held, and the general subject matter of the executive session.

Section 7.6 Actions Binding on Members. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present, in person or by proxy will be regarded as the act of the Board.

Section 7.7 Waiver of Notice. Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when 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. Before, at, or after any Board meeting, any Director may waive, in writing, notice of the meeting, and the written waiver will be equivalent to giving notice. Neither the business to be transacted at, nor the purpose of, any regular or special Board meeting need be specified in the waiver of notice of the meeting.

Section 7.8 Action Taken Without a Meeting. The Directors have the right to take any action they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors or as provided in the in C.R.S. § 7-128-202 of the CRNCA. Any action so approved will have the same effect as though taken at a Board meeting.

Section 7.9 Teleconference Meetings. Any regular or special Board meeting may be conducted by teleconference or other electronic means, followed by minutes of the meeting, which will be distributed to each Director.

ARTICLE VIII **OFFICERS AND THEIR DUTIES**

Section 8.1 Enumeration of Officers. The Association's officers will be a President, one or more Vice-Presidents, a Secretary and Treasurer, all of whom must be Directors, and such other officers as the Board may from time to time create by resolution. The officers shall be elected by an affirmative vote of a majority of the Directors.

Section 8.2 Election of Officers. The election of officers will take place at the first Board meeting following each annual Member meeting.

Section 8.3 Term. The Board will elect the officers annually and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.4 Special Appointments. The Board may elect other officers, assistant officers, committees and agents as the affairs of the Association may require, each of whom will hold office for such period, have such authority, and perform such duties as the Board may determine from time to time.

Section 8.5 Resignation and Removal. The Board may remove any officer from office with or without cause. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation will take effect on the date the notice is received or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of the resignation will not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or for any other reason may be filled by a majority vote of the Board of Directors for the unexpired portion of the term.

Section 8.7 Multiple Offices. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 8.8 Duties. The duties of the officers are as follows:

a. **President.** The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and of the Board of Directors. He may sign, with the Secretary, or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors or Members have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

b. **Vice-President.** In the absence of the President or in the event of his death, or inability, or refusal to act, the Vice President (or in the event there be more than one vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of election) 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. The absence of the President shall be shown prima facie by the attest of the Secretary to any document signed by a Vice President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

c. **Secretary.** The Secretary will record the votes and keep the minutes of the meetings and proceedings of the Board and of the Members; serve notice of Board and Member meetings; keep appropriate

current records listing the Members together with their registered addresses, Units owned, whether such Unit is mortgaged, the name and address of the Mortgagee; execute all instruments of conveyance; maintain the Association records; and perform such other duties as the Board may require.

d. Treasurer. The Treasurer is the principal financial officer of the Association. The Treasurer will receive and deposit in the appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three fiscal years; prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available to each of the Members; and perform such other duties as the Board may require. The Treasurer shall, if the Board requires, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

Section 8.9 Delegation. The duties of any Officer may be delegated to the Manager or another Director or designee, except the President and Secretary must execute all conveyances and contracts for the Association.

ARTICLE IX INDEMNIFICATION

Section 9.1 Definitions. For purposes of this Article, the following terms will have the meanings set forth below:

a. Proceeding. Any threatened, pending or completed action, suit or proceeding, 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 or, while a Director or officer, is or was serving at the request of the Association as a Director, committee member, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust or other enterprise.

Section 9.2 Indemnification. The Association will indemnify, if indemnification is authorized by C.R.S. §7-129-102, any Indemnified Party in any Proceeding. The Association will advance the expenses of the Indemnified Party as provided in C.R.S. §7-129-104.

Section 9.3 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 or her incurred by him or her in his or her capacity of or arising out of their status as an Indemnified Party, whether or not the Association would have the power to indemnify him or her against such liability under applicable provisions of law.

Section 9.4 Right to Impose Conditions to Indemnification. The Association will have the right to impose, as conditions to any indemnification provided or permitted in this Article, 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. In the event of a settlement, indemnification will be provided only in connection with such matters that the Association receives advice of counsel that the person to be indemnified has not been guilty of such actions or omissions in the performance of their duties on behalf of the Association;

b. That any counsel representing the person to be indemnified in connection with the defense or settlement of any Proceeding will be counsel mutually agreeable to the person to be indemnified and to the Association;

c. That the Association will 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

d. That the Association will be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified person's rights of recovery, and that the person to be indemnified will execute all writings and do everything necessary to assure such rights of subrogation to the Association.

ARTICLE X **OBLIGATIONS OF THE OWNERS**

Section 10.1 Community Quality of Life. All Owners are Members of the Association and will always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Property was built. Because neighbors rely on one another to maintain the quality of life and property values in the Community, each Member is more accountable to other Members than in other communities without shared Common Elements.

Section 10.2 Maintenance and Repair. Subject to Article 4 of the Declaration:

a. Owners must perform promptly at their own expense all maintenance and repair work within the Owner's Unit if failure to do so would affect the Property or other Units.

b. Owners are responsible for all expense for the repair of internal installations of the Unit such as water, light, gas, power, sewage, telephones, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to the Unit.

Section 10.3 Mechanic's Lien. Each Owner agrees to indemnify and to hold the Association and each of the other Owners harmless from any and all claims of mechanic's lien filed against other Units or the Common Elements for labor, materials, services or other products incorporated in the Owner's Unit or Limited Common Elements. Within 30 days after a lien is filed the responsible Owner must either obtain a release of the lien or deposit cash or a bond to discharge the lien pursuant to Colorado law. Any amount an Owner owes under the indemnity provided in this section may be assessed by the Association to the responsible Owner.

Section 10.4 Proof of Ownership. Upon taking Ownership of a Unit, an Owner must upon request of the Association furnish a copy of the recorded instrument vesting the Owner's Ownership interest. The Association will maintain the instrument as an Association record.

Section 10.5 Registration of Mailing Address. Within five (5) days after transfer of title each Owner must provide the Secretary or Manager with one registered mailing address or electronic address for delivery of monthly statements, notices, demands and all other communications. If no address is registered then the address of the Owner on the deed to the Unit will be used as the registered mailing address until the Owner(s) furnish another registered mailing address pursuant to this section. A registered mailing address may be changed from time to time by similar designation.

ARTICLE XI **INSURANCE DEDUCTIBLES AND CLAIMS**

Section 11.1 Insurance. The Association will maintain property insurance and liability insurance for the Property, including the Common Elements and the Units, as required under Section 19 of the Declaration. Each Owner will obtain a homeowner's policy (HO-6) which covers personal property such as furniture and furnishings within a Unit, liability and loss Assessments.

Section 11.2 Deductible Amount. From time to time, the Board, in its reasonable discretion, may set, increase or decrease the amount of the deductibles for the Association's insurance policies.

Section 11.3 Payment of Deductible by Responsible Owner. If the Association settles any insurance claim, the Board, may assess any negligent Owners causing the loss, or Owners benefitting from the repair or restoration all deductibles paid by the Association. In the event that there is more than one Unit damaged by a loss, the Board in its reasonable discretion may assess each Unit Owner a pro rata share of any deductible paid. All

determinations by the Board will be made in a nondiscriminatory manner.

Section 11.4 Deductible as Common Expense. In the event that the Board determines in its reasonable discretion that good cause exists to not assess all or part of any deductible as permitted in Section 12.3, the deductible paid by the Association and will be a Common Expense.

Section 11.5 Claims Against Association Policy

a. Notice of Claim. Any Owner who may have a claim covered by an Association insurance policy will promptly notify the Board in writing upon discovery of the claim. The Association will have a reasonable time to investigate the Owner's claim and may file such claim on behalf of the Owner. If the Board does not file a claim or elect to repair the damage as provided in subparagraph b below, it will notify the Owner within fifteen (15) days of receiving the Owner's written notice, and the Owner may file a claim against the Association's policy.

b. Association Payment of Claim. The Board in its reasonable discretion may choose not to submit any claim to the Association's insurance carrier, including an Owner's claim, provided that the Association causes the loss to be repaired or adjusted to the extent such claim would have been paid had the claim been so submitted. In such event the Board may assess the applicable deductible as provided above in this article.

ARTICLE XII
RESTRICTIONS ON ALIENATION

The following restrictions on alienation apply to all Units:

Section 12.1 No Timeshares. A Unit may not be conveyed pursuant to a time-sharing plan.

Section 12.2 Lease Restrictions. The Association may require that Owners use lease forms approved by the Board and may impose administrative fees and reserve assessments on the lease or transfer of any Unit in such amount as the Board may reasonably determine. Such fees may be graduated based on length of the lease, type of occupancy, or other factors which the Board deems appropriate. All leases and rental agreements shall be in writing and subject to the requirements of the Governing Documents.

Section 12.3 Lease Violations by Tenant. All leases of a Unit shall include a provision that the tenant will recognize and authorize the Association as landlord, solely for the purpose of having the power to enforce a violation of the provisions of the Governing Documents against the tenant, provided the Association gives the Owner of such leased Unit notice of the Association's intent to so enforce and a reasonable opportunity to cure the violation prior to the commencement of an enforcement action.

ARTICLE XIII
AMENDMENTS

Section 13.1 Amendment by the Board. The Board may amend these Amended and Restated Bylaws by a vote of not less than 2/3 of the Directors at any regular or special meeting at which quorum is present. A statement of any proposed amendment will accompany the notice of any regular or special Board meeting at which such proposed amendment will be voted upon.

Section 13.2 Amendment by the Members. The Bylaws may be amended by the vote of the Members holding 67 % of the votes of the Association. Amendments may be proposed by the Board or by petition signed by the holders of at least 20% of the votes of the Association. A statement of any proposed amendment will accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

Section 13.3 Scope of Amendments. These Amended and Restated Bylaws may not be amended in a manner inconsistent with the Articles, the Declaration, or Colorado law.

ARTICLE XIV
MISCELLANEOUS

Section 14.1 Fiscal Year. The Association's fiscal year will be a calendar year, which shall be subject to change by the Board as necessary.

Section 14.2 Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Amended and Restated Bylaws, the Bylaws will control; and in the case of any conflict between the Declaration and these Amended and Restated Bylaws, the Declaration will control.

Section 14.3 Numbers and Genders. Whenever used herein, unless the context otherwise provides, the singular numbers include the plural, the plural the singular, and the use of any gender includes all genders.

CERTIFICATE

The undersigned President and Secretary of the Association do hereby certify that the above and foregoing Bylaws were duly adopted by the Board of Directors and that they constitute the Bylaws of this Association.

LAKE DILLON CONDOMINIUMS, INC.

By: _____, President

Attest: _____, Secretary