

**BYLAWS
OF
LAKE MODERN CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The corporation's name is Lake Modern Condominium Association, Inc. (the "Association"), a Colorado nonprofit corporation, with an address of 701 East Valley Road, Suite 201, Basalt, CO 81621. The Association may have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board (the "Board") may from time to time determine.

**ARTICLE II
DEFINITIONS, PURPOSES AND ASSENT**

Section 2.1 Definitions. "Declaration" means the Condominium Declaration for Lake Modern Condominiums recorded on _____, 2023 at Reception No. _____ in the Eagle 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. The Colorado Common Interest Ownership Act ("CCIOA"), *C.R.S. § 38-33.3-101 et. seq.*, and the Colorado Revised Nonprofit Corporation Act (the "Nonprofit Act"), *C.R.S. § 7-121-101 et seq.*, also contains provisions which are referenced in these Bylaws.

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 Parcels, Lots, Units and the Common Elements within the Project; (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 Guests, and any other person occupying a Unit or using the Property's facilities in any manner are subject to the Association Documents which include the Declaration, the Plat, the Articles, these Bylaws and any procedures, rules or policies that the Executive Board (the "Board") adopts. The acquisition, rental or occupancy of any Unit within the Property will constitute ratification and acceptance of these Bylaws and an agreement to comply with all Association Documents.

**ARTICLE III
MEMBERSHIP**

Section 3.1 Membership. Every Person who is a record Unit Owner is a Member. The Association shall initially have one membership class. Additional membership classes may be created in accordance with the Declaration and applicable law.

Section 3.2 Voting Privileges. Members' voting rights shall be as set forth in the Declaration and in these Bylaws. Any Unit Owner that is leased may assign his voting right to the

tenant, provided that the tenant is appointed to vote on the Owner's behalf by proxy that is furnished to the Secretary or designee prior to any meeting in which the tenant exercises the voting right. 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 that becomes an Owner will automatically become a Member and be subject to the Association Documents. Such 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 Association 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 Unit ownership or Association membership and the covenants and obligations incident thereto.

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 Eagle 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. An annual Member meeting shall be held on a date and at a time set by the Board. The annual meeting shall be held for the election of Directors and the transaction of such other business as may properly come before the meeting.

Section 4.3 Special Meetings. Special Member meetings may be called at any time by the President, the Executive Board, or upon written request of Members who are entitled to vote at least 20% of all votes in the Association.

Section 4.4 Notice of Member Meetings. Not less than 10 nor more than 50 days in advance of any Member meeting, the Secretary shall cause notice to be delivered to all Owners as provided in the Association Documents or as provided by Colorado law. The notice of any meeting must be physically posted in a conspicuous place, if feasible, in addition to any electronic posting or electronic mail notices that may be given. The 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 Association 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.

Section 4.5 Quorum. The presence at any Member meeting of Members entitled to cast, or of proxies entitled to cast, 20% of the total Membership votes constitutes a quorum for any action, except as otherwise provided in the Association 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 the Association 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 Association Documents expressly requires a different number or method of voting. As used in these 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, show of hands, written consent, by electronic means, directed proxy, written ballot, or as otherwise determined by the Meeting Chair present at a meeting where a vote is to be taken. 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. A secret ballot is required for all contested Board positions, and also any other vote if requested by 20% or more of Owners.

a. Neutral third parties, 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, directed proxy, 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 a Member vote on any matter required or permitted by Colorado law, the Articles, or these Bylaws will be by e-mail, facsimile or other electronic communication. Pursuant to the Nonprofit Act, 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 Action Without a Meeting. Any action which may be taken by Member vote at a regular or special meeting, or by written ballot, may be taken without a meeting if consent in writing, setting forth the action so taken, is signed by all of the Members.

Section 4.10 Proxies. Any Member may cast their vote in person or by proxy appointed in conformance with the C.R.S. § 7-127-203. A Member's written proxy may direct their proxy to vote for a candidate for the Board, or for or against a proposed action. No proxy will be valid if it is not dated, purports to be revocable without notice or if it is obtained through fraud or misrepresentation. Further, no proxy will be valid after eleven (11) 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 such entity to attend all regular or special Member meeting 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 will be deemed 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 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 a 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 attend and participate by teleconference or other electronic means by which all persons participating 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 **EXECUTIVE BOARD: SELECTION; TERM OF OFFICE**

Section 5.1 Number, Qualification and Term. The Board will initially consist of two

(2) Directors appointed by Declarant during the Declarant Control Period, subject, however, to the gradual transition of control of the Board as Lots are sold to non-Declarant Owners as required under C.R.S § 38-33.3-303. A special meeting of the Owners of Units within a Parcel entitled to elect a Director pursuant to C.R.S § 38-33.3-303 may be called for the purpose of electing a new Executive Board member to replace a Declarant appointed Executive Board member. After termination of the Declarant Control Period, the Executive Board shall consist of at least three (3) Directors, one elected by each membership class as provided in the Declaration. The number of Directors shall change so that each Parcel is represented by one Director at all times. Except for the initial Directors appointed by Declarant, the Directors will be Members or the delegates of Members appointed by proxy. The term of office will be three (3) 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 term of one Director will expire each year.

Section 5.2 Voting Procedures Generally. In the election of the Board, each Member will have the right to vote as provided in the Declaration. Cumulative voting will not be allowed.

Section 5.3 Removal of Directors.

a. By the Members. Any Director may be removed, with or without cause, at any regular or special Member meeting by vote of sixty seven percent (67%) of the Association votes cast by Members voting in person or by proxy at a meeting at which a quorum is present. A successor to any Director removed will be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the Members will be given notice of the proposed removal prior to the date of such meeting and will be given an opportunity to be heard at such meeting.

b. By the Board. Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or otherwise in violation of the Association Documents for more than thirty (30) days may be removed by a majority vote of all Directors during a regular or special Board meeting. In the event of the death, disability, resignation or removal by the Board, as set forth in this subsection (b), of a Director, the Board may declare a vacancy.

Section 5.4 Vacancies. If a Declarant appointed Director fails or ceases to serve, the Declarant may appoint a new Director to fill the vacancy. If an elected Director fails or ceases to serve, the Owners entitled to vote for that Director may elect a new Director to serve the remaining term.

Section 5.5 Compensation. No Director will receive compensation for service as a Director unless approved by majority vote of the Members. However, Directors may be reimbursed for actual, reasonable expenses incurred on the Association's behalf. 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 by the disinterested Directors.

ARTICLE VI
POWERS AND DUTIES OF THE EXECUTIVE BOARD

Section 6.1 General. The Board has all of the powers necessary to fulfill its duties to administer the Association's affairs, operate and maintain the Project, and as further specified in the Declaration, the Act, or the Nonprofit Act. Except as the Association Documents or applicable law provides, the Board may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on the Association's behalf.

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 Association Documents and law:

a. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Association 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 Project 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 Member approval is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

d. *To fix, determine, levy, and collect the prorated Base Assessments each Member will pay towards the gross expenses of the Project, 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 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 Association 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 Association Documents.*

h. To fix, determine, levy and collect the working capital funds each Member will pay towards the Association's working capital account, 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 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 the Members may agree, 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 bank accounts for the Association's operating account and 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 Association's jurisdiction or control, and subject to 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 Members' benefit.

p. To cause to be maintained the insurance coverage (including without limitation fidelity 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 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), (j), (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.

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 statutory law.

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 Bylaws, other than the powers set forth in Section 6.2(d), (f), (g), (i), (j), (k) or (s) above, and duties reserved to the Board by law. If the Board delegates powers 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 or the Manager will maintain fidelity 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 Association's current budget, on all Units, or (iii) such higher amount as the Board may require.

b. Maintain Association Accounts. The Manager will maintain all of the Association's funds and accounts separate from the funds and accounts of other associations managed by the Manager. The Manager will maintain all reserve accounts of the Association 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, bank statement reconciliations and an audit or review will be prepared and presented as the Board requests.

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 90 days. The Association has the right to renegotiate or terminate the management agreement without cause.

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 Bylaws and the Declaration.

ARTICLE VII **BOARD MEETINGS**

Section 7.1 Regular Meetings. Regular Board meetings will be held annually and at such time and place as a majority of the Board shall determine from time to time. 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 any 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 Conduct of Board Meetings. All Board meetings will be governed by the rules of conduct and order provided in the responsible governance policies adopted by the Board.

Section 7.4 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 7.5 Agendas and Attendance. 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. Meeting notices and agendas will be sent by email to all Members upon request.

Section 7.6 Executive Sessions. The Executive Board 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 the Association's employees or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee;

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 7.7 Actions Binding on Directors. 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 7.8 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 the equivalent to the 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 7.9 Action Taken Without a Meeting. The Board will have the right to take any action it 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 Nonprofit Act, C.R.S. § 7-128-202. Any action so approved will have the same effect as though taken at a Board meeting.

Section 7.10 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, a Vice-President, 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. Following the Declarant

Control Period, all officers of the Association must be Owners of Units in the Project.

Section 8.2 Election of Officers. The officers shall be elected by an affirmative vote of a majority of the Directors, which shall occur at the first Board meeting following each annual Member meeting.

Section 8.3 Term. The Board will elect the officers of the Association annually and each officer 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 of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 8.6 Vacancies. A vacancy in any office may be filled by appointment by majority vote of the Board. The appointed officer will serve for the remainder of the term of the officer replaced.

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 Association's principal executive officer and, subject to the control of the Executive Board, shall supervise and control all of the Association's business and affairs. He shall preside at all Member and Board meetings; see that the Board's orders and resolutions are carried out; sign all leases, mortgages, deeds and other written instruments; co-sign all promissory notes; cause to be prepared and execute, certify and record Declaration amendments, execute all instruments of conveyance; and in general shall perform all duties incident to the office of President and as the Board may otherwise require.

b. Vice-President. The Vice-President will act in the place and stead of the President, in the event of his absence, inability or refusal to act, and shall perform the President's duties, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as the President, or the Board, may assign from time to time.

c. Secretary. The Secretary will record the votes and keep the minutes of the Member and Board meetings and proceedings; serve notice of Member and Board 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 Association's principal financial officer. 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 the Association's checks unless the Board specifically directs otherwise, and co-sign all the Association's promissory notes; keep proper books of account; at the Board's direction, cause an the Association's books to be subject to an annual audit or review; prepare an annual budget and a statement of income and expenditures to be presented to the annual Member meeting, and deliver or make copies available to each of the Members; and perform such other duties as the Board may require. If the Board requires, the Treasurer shall 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 that 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" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal;

b. "Indemnified Party" means 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 Association's request 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 or incurred by him or her in their capacity or arising out of their status as an

Indemnified Party, whether or not the Association would have the power to indemnify them against such liability under applicable 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 the Board determines are 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 is given advice of counsel that the person to be indemnified has not been guilty of such actions or omissions in the performance of their duties;

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 the Association's rights of subrogation.

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 Project was built. Because neighbors rely on one another to maintain the quality of life and property values in the Project, each Member is more accountable to other Members than in other communities without shared Common Elements.

Section 10.2 Maintenance and Repair. Subject to 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 Common Elements or other Units.

b. Owners are responsible for all expense of the repairs 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 within the Unit.

c. An Owner must reimburse the Association or another Owner promptly upon receipt of a statement for any expenditures the Association or another Owner incurs in repairing,

replacing or restoring any Common Elements or any Unit damage caused by the Owner or their Guests, even if such act or omission was not negligent or resulting from failure to maintain a 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 owed by an Owner 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 the Association's request, furnish a copy of the recorded instrument vesting such 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 Owner's address on the deed will be used as the registered mailing address until the Owner(s) furnishes another registered mailing address pursuant to this section. A registered mailing address may be changed from time to time by similar designation.

ARTICLE XI **LENDERS**

Section 11.1 Notice to the Association. Upon written request by the Association Manager or Secretary an Owner will furnish the name, address and email or telephone contact information for any lender holding a security interest in the Owner's Unit.

Section 11.2 Notice of Unpaid Assessments. Upon request of a lender holding a security interest, the Association will provide a report of the Owner's unpaid Assessments.

ARTICLE XII **NONPROFIT CORPORATION**

This Association is not organized for profit. No Member, Director, or person from whom the Association may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the Association's operations, and in no event will any part of the Association's funds or assets be paid as a dividend or be distributed to, or inure to the benefit of any Director. Notwithstanding the foregoing, (a) reasonable compensation may be paid to any Member or Director acting as the Association's agent or employee for services rendered in effecting one or more of the Association's purposes; (b) any Member or Director may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the Association's affairs, and (c) any Director may be reimbursed for actual and reasonable expenses incurred in the performance of his duties.

ARTICLE XIII
AMENDMENTS

Section 13.1 Amendment by the Board. The Board may amend these Bylaws by a vote of not less than 2/3 of the Directors at any regular or special Board meeting, except for amendments which must be approved by the Members as provided in the Act, C.R.S. §38-33.3-301(3). 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. These Bylaws may be amended by vote of the Members holding 67% of the votes of the Association. However, notwithstanding the foregoing, no provisions of these Bylaws may be amended by a number of Members which is less than the number of Members required within that particular provision to take certain action. Amendments may be proposed by the Board or by petition signed by the holders of at least a majority of the votes. 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 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 and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these 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 Executive Board and that they constitute the Bylaws of this Association.

LAKE MODERN CONDOMINIUM ASSOCIATION, INC.

_____ Date
By: _____
Its: President

_____ Date
Attest: _____
Its: Secretary