

**BYLAWS  
OF  
LA RIVA DEL LAGO  
CONDOMINIUM  
ASSOCIATION, INC.**

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**BYLAWS  
OF  
LA RIVA DEL LAGO CONDOMINIUM ASSOCIATION, INC.**

The name of the corporation shall be **LA RIVA DEL LAGO CONDOMINIUM ASSOCIATION, INC.**, a Colorado non-profit corporation (the “Association”).

**ARTICLE I  
PURPOSES, ASSENT OF MEMBERS AND DEFINITIONS**

Section 1.1 Purposes. The specific purposes for which the Association is formed are (i) to provide for the maintenance, preservation and control of the mixed-use condominium project (the “Project”) containing both commercial and residential uses, located on that certain tract of real property situated in the Town of Dillon, Summit County, State of Colorado, as more fully described in Exhibit A of the Declaration for the **La Riva del Lago Condominiums**, filed for record with the Clerk and Recorder of Summit County, Colorado, as amended or supplemented from time to time (the “Declaration”); (ii) to serve the legitimate interests of the Condominium Unit Owners; and (iii) to promote the general health, safety and welfare of the Owners, residents and occupants of the Project.

Section 1.2 Assent. All present or future Owners, tenants, future tenants or any other persons using the facilities of the Project in any manner are subject to these Bylaws and any rules adopted by the Executive Board pursuant to these Bylaws. The mere acquisition, rental or occupancy of any of the Condominium Units of the Project shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said rules.

Section 1.3 Definitions. Unless otherwise specified, capitalized terms used in these Bylaws shall have the same meanings in these Bylaws as such terms have in the Declaration.

**ARTICLE II  
MEMBERSHIP**

Section 2.1 Membership. Any person or entity, including Declarant, on becoming an Owner of a Condominium Unit, shall automatically become a Member of the Association and be subject to these Bylaws. Membership shall be appurtenant to and may not be separated from ownership of any Condominium Unit. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under, or in any way connected with, the Association during the period of such ownership, or impair any rights or remedies which the Executive Board of the Association or others may have against such former Owner arising out of Ownership of the Condominium Unit and membership in the Association and the covenants and obligations incident thereto.

Section 2.2 Membership. There shall be two (2) classes of membership as follows:

Section 2.2.1 Residential Unit Members. All Owners of Residential Units and the Declarant, so long as Declarant continues to own an interest in a Residential Unit, Garage Unit or Storage Unit, shall be deemed Residential Unit Owners.

Section 2.2.2 Commercial Unit Members. All Owners of Commercial Units and the Declarant, so long as Declarant continues to own an interest in a Commercial Unit, shall be deemed Commercial Unit Owners.

Section 2.3 Voting Rights. Each Condominium Unit shall be allocated a number of votes for the purpose of matters relating to the General Common Elements or the Project as a whole equal to the same number which is described as a percentage interest in the General Common Elements allocated to each Condominium Unit as set forth in Exhibit B to the Declaration. Each Residential Unit shall be allocated the number of votes for the purpose of matters relating to the Limited Common Elements-Residential or the Residential Project equal to the percentage interest in such Limited Common Elements-Residential allocated to such Condominium Unit as set forth in Exhibit B of the Declaration. Each Commercial Unit shall be allocated the number of votes for the purpose of matters relating to the Limited Common Elements-Commercial or the Commercial Project equal to the percentage interest in such Limited Common Elements-Commercial allocated to such Condominium Unit as set forth in Exhibit B of the Declaration. The Association shall not have a vote with respect to any Condominium Unit which may be owned by it. Declarant shall be entitled to vote with respect to Condominium Units owned by it. Members of the Association may exercise such voting rights subject to and in accordance with the provisions herein and those of the Declaration. All Members of the Association shall be entitled to vote on all matters affecting the Project which are required by the Declaration or the Act to be submitted to the vote of the Owners; provided, however, certain issues relating to the operation and maintenance of the Project do and may affect only the valid interests of either the Residential Owners or the Commercial Owners, such as the operation and maintenance of the Limited Common Elements-Residential, the Limited Common Elements-Commercial or as otherwise may be specified in the Declaration. In addition, it is hereby determined that in order to protect the valid interests of the two (2) classes of Residential Owners and Commercial Owners, each class requires representation on the Executive Board and is hereby entitled to elect certain Directors thereto. In order to protect the legitimate, distinct interests of both the Residential Owners and the Commercial Owners, the following matters shall be voted by each class of Residential Owners and Commercial Owners:

Section 2.3.1 Election of Directors. During the Declarant Control Period, as more particularly described below, the Directors shall be appointed by the Declarant without regard to the classes of Directors or the election thereof by certain classes of Members as described in this subsection below. The initial Executive Board shall consist of one (1) to three (3) person(s). After expiration of the Declarant Control Period, the Executive Board shall consist of five (5) persons, of which the Residential Owners shall be entitled to nominate and elect two (2) of the five; the Commercial Owners shall be entitled to nominate and elect two (2) of the five (5); and all Owners collectively shall be entitled to nominate and elect one (1) Director at Large.

Section 2.3.2 Approval of Budget. Each class of Owners shall have the right of approval of that portion of the budget pertaining to the Limited Common Elements related to such class, subject to the terms and limitations specified in the Declaration, including, specifically, that the approval of the General Common Elements budget shall be as provided for in the Declaration.

Section 2.3.3 Valid Class Interests. In addition to the foregoing, should the Executive Board deem a particular matter which is required by this Declaration or the Act to be submitted to the vote of the Owners to affect exclusively one (1) class of membership of the Association, the Executive Board may give notice of a meeting of either the Residential Owners or the Commercial Owners exclusively and conduct a vote on the matter affecting only that class in order to protect the legitimate, valid interest of such class. Any determination by the Executive Board that a matter should be for the consideration of all Owners and not for the independent consideration of either or both groups of the Residential Owners and the Commercial Owners, shall require, in addition to the affirmative vote of a

majority of voting Directors of the Executive Board, the affirmative vote of at least one (1) Residential Director and one (1) Commercial Director, provided that matters designated by the Declaration to impact only one class of Owners, as well as matters relating solely to either the Limited Common Elements-Residential or Limited Common Elements-Commercial shall be presumed to be only for the consideration of such respective class of Owners. If (a) a vote by the Executive Board to determine whether a matter should be for the consideration of all Owners results in an affirmative vote of a majority of voting Directors, but fails to result in the affirmative vote of at least one (1) Residential Director and one (1) Commercial Director; and (b) a majority of all Directors vote within fifteen (15) days thereafter to submit such issue to arbitration, then the issue of whether a matter should be considered by all Owners shall be submitted to binding arbitration in the Town of Dillon, Summit County, Colorado, in accordance with the rules of the American Arbitration Association then in effect. The decision of the arbitration shall be final and binding on the parties and judgment may be entered thereon in a court having jurisdiction over the Association. The arbitrator shall be appointed by the Executive Board, which appointment shall require, in addition to the affirmative vote of a majority of voting Directors, the affirmative vote of at least one (1) Residential Director and one (1) Commercial Director. In the event the Executive Board is unable to do so within ten (10) days of submitting this matter to arbitration, the arbitrator shall be designated by the chief judge of the 5<sup>th</sup> Judicial District Court located in Breckenridge, Summit County, Colorado. The cost and expense of the arbitrator shall be deemed an expense of the Association.

Where a vote by a class of membership is called as set forth herein, only those votes attributable to the class eligible to vote on the particular issue will be counted in determining whether the vote will constitute an act of the Members of such class.

Notwithstanding any provision in this Declaration or in the Bylaws of the Association, no term pertaining to voting requirements in this Declaration or in the Bylaws shall be construed so as to violate the Act.

### **ARTICLE III MEETINGS OF MEMBERS**

Section 3.1 Place of Meeting. Meetings of the Association Members shall be held at such place within the Town of Dillon, Summit County, Colorado, as the Executive Board may determine, or telephonically, where permissible, as provided by statute.

Section 3.2 Annual Meeting. The first annual meeting of the Association Members shall be held within one (1) year after the date of the adoption of these Bylaws. Thereafter, the annual meetings of the Association Members shall be held on a date and at a time selected by the Executive Board in each succeeding year. The purpose of the annual meetings is for the election of Directors and the transaction of such other business of the Association as may properly come before the meeting.

Section 3.3 Special Meetings. Special meetings of the Association Members may be called (a) if the meeting is a meeting of all Owners, then by the President, the Executive Board or the Members having an ownership interest in the General Common Elements representing one-fourth of the total ownership interests in the General Common Elements; or (b) if the meeting will affect only the interests of one (1) class, then by action of the Directors of such class or the Members having an ownership interest in the relevant Limited Common Elements representing one-fourth of the total ownership interests in such Limited Common Elements.

Section 3.4 Notice of Meetings. Written notice given in accordance with Section 6.7 of the Declaration (“Owners’ and Association’s Address for Notices”) to the Members or any class thereof and

stating the place, day and hour of each meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered and effective not less than ten (10) nor more than fifty (50) days before the date of the meeting, by or at the direction of the President or the persons calling the meeting as provided under these Bylaws, to the registered address for notice (as provided in the Declaration) of each Condominium Unit entitled to be represented by a vote at such meeting.

Section 3.5 Adjourned Meetings. If any meeting of Association Members cannot be organized because a quorum, as defined below in Section 3.8, has not attended, 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 3.6 Proxies. Votes may be cast in person or by proxy, but no proxy shall be valid after eleven (11) months from the date of its execution unless it specifies another term or a specific purpose, as provided by law. Proxies shall be filed with the Executive Board of the Association at or before the appointed time of each meeting. A Member may appoint a proxy by signing an appointment form, or by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the Association along with written evidence that the Member transmitted or authorized the transmission of appointment.

Section 3.7 Designation of Voting Representative-Proxy. If title to a Condominium Unit is held by more than one (1) individual, by a firm, corporation, partnership, association or other legal entity, or any combination thereof, a proxy may be executed and filed with the Association in accordance with Section 3.6 of these Bylaws appointing and authorizing one (1) person or alternate persons to attend all annual and special meetings of the Association Members and to cast the vote allocated to that Condominium Unit. In the absence of a proxy, the vote allocated to the Condominium Unit shall be suspended in the event more than one person or entity seeks to exercise the right to vote on any matter. In the event that a vote is cast by a Member on behalf of such Member's Condominium Unit, then such person shall be deemed for all purposes under the Declaration and these Bylaws to be the duly and validly appointed representative for all Owners of the Condominium Unit, the Association and the Executive Board shall be entitled to rely on the authority of such Owner to vote with respect to the Condominium Unit, and the vote cast by such person shall be the validly cast vote of all the Owners of such Condominium Unit and shall bind such other Owners.

Section 3.8 Quorum and Voting. Except as otherwise provided in these Bylaws, the presence in person or by proxy (a) with respect to a meeting designated for all Owners, ten percent (10 %) of the Owners of each class of the Residential Owners and the Commercial Owners based upon one Owner per Condominium Unit; or (b) with respect to a meeting designated for only one (1) class of membership, ten percent (10 %) of the Owners of that class based upon one Owner per Condominium Unit, shall constitute a quorum, 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. A majority of votes entitled to be cast by such Members present in person or by proxy shall be sufficient to make decisions binding on the Owners or class of Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles of Incorporation of the Association or these Bylaws.

Section 3.9 Voting by Mail. The Executive Board may decide that voting of the Owners on any matter required or permitted by the statutes of the State of Colorado, the Declaration, the Articles of Incorporation or these Bylaws shall be by mail. In case of a vote by mail, the Secretary shall mail written notice to all Owners at the Owner's address as it appears in the records of the Association. The notice shall include: (a) a proposed written resolution or other action setting forth a description of the proposed action; (b) a statement that Owners are entitled to vote by mail for or against such proposal; and (c) a date at least thirty (30) days after the date such notice has been given on or before which all votes must be

received at the office of the Association at the address designated in the notice. Voting by mail shall be acceptable in all instances in which the Declaration, the Articles of Incorporation or these Bylaws requiring the vote of Owners at a meeting.

#### **ARTICLE IV EXECUTIVE BOARD**

Section 4.1 Number and Qualification. Except as provided in Section 2.3.1 and the Declaration, the affairs of the Association shall be governed by an Executive Board and composed of from three (3) to five (5) persons. The Directors may be nonresidents of Colorado, but all Directors elected by the Members (as opposed to any Directors appointed by Declarant pursuant to Section 4.2 below) must be Owners of Condominium Units or their delegates.

Section 4.2 Declarant Control. Notwithstanding anything to the contrary provided for herein, Declarant shall be entitled during the Declarant Control Period to appoint and remove the Members of the Association's Executive Board and officers of the Association, subject to the following restrictions:

Section 4.2.1 Not later than sixty (60) days after conveyance by Declarant of seventy-five percent (75 %) of the Residential Condominium Units to Owners other than the Declarant or Declarant's members and conveyance by Declarant of seventy-five percent (75 %) of the Commercial Condominium Units to Owners other than the Declarant or Declarant's members, at least one Member and not less than twenty-five percent (25 %) of the Members of the Executive Board shall be elected by Owners other than Declarant.

Section 4.2.2 Not later than sixty (60) days after conveyance by Declarant of ninety percent (90 %) of the Residential Condominium Units to Owners other than the Declarant or Declarant's members and conveyance by Declarant of ninety percent (90 %) of the Commercial Condominium Units to Owners other than the Declarant or Declarant's members, not less than thirty-three and one-third percent (33 1/3 %) of the Members of the Executive Board shall be elected by Owners other than Declarant.

Section 4.2.3 Not later than the termination of the Declarant Control Period, the Owners shall elect an Executive Board of five (5) Members, at least a majority of whom shall be Owners other than Declarant or designated representatives of Owners other than Declarant.

Section 4.3 Initial Executive Board. During the Declarant Control Period, the Executive Board shall initially consist of one (1) to three (3) Director(s), and the Executive Board shall consist of one (1) to three (3) Director(s) until the termination of the Declarant Control Period.

Section 4.4 Terms of Office of Initial Board. The terms of office of the Executive Board initially appointed by Declarant under Section 4.3 above shall be set by Declarant (subject to the provisions of termination under Section 4.2).

Section 4.5 Terms of Office of Subsequent Boards. Subject to the requirements of Section 38-33.3-303 of the Act, every Director appointed or elected to replace the Members of the Executive Board appointed by Declarant during the Declarant Control Period shall serve a term of one (1) to three (3) year(s), so that the term of one (1) Residential Director and one (1) Commercial Director shall expire in year one, the term of one (1) Residential Director and one (1) Commercial Director shall expire in year two, and the term of the Director at Large shall expire the third (3<sup>rd</sup>) year after the year of his or her election. Elections of Directors shall be conducted as provided in Section 4.6 below. The Directors shall hold office until their successors have been elected and qualified.



Section 4.6 Board Elections. Upon the events listed in Section 4.2 above requiring that certain Member(s) of the Executive Board be elected by the Owners other than Declarant, a special meeting of the Association shall be called to hold elections for persons to replace such resigning Members of the Executive Board for the remainder of the respective three (3) year terms then being served by each such Directors.

Nominations of candidates for the Executive Board may be made by any Members of the applicable membership classification in the Association (including persons who are then Members of the Executive Board). In the election of Residential Directors by Residential Owners, each Residential Owner shall have the right to vote the number of votes to which he is entitled for as many persons as there are Residential Directors to be elected. In the election of Commercial Directors by Commercial Owners, each Commercial Owner shall have the right to vote the number of votes to which he is entitled for as many persons as there are Commercial Directors to be elected. In the election of the Director at Large by all of the Owners, each Owner shall have the right to vote the number of votes to which he is entitled for that Director. The candidate receiving the largest percentage of all votes of Members present in person or represented by proxy at the meeting and entitled to vote for such candidate shall be elected. Cumulative voting shall not be allowed.

Section 4.7 Removal of Directors. At any regular or special meeting of the Association duly called at which a quorum of the applicable class of Members exists, any one or more of the Directors elected by a class of Members may be removed with or without cause by a vote of sixty-seven percent (67 %) of the votes of such Members present and entitled to be cast at such meeting. At any regular or special meeting of the Association duly called at which a quorum of all Members exists, the Director at Large may be removed with or without cause by a vote of sixty-seven percent (67 %) of the votes of such Members present and entitled to be cast at such meeting. Any Director elected by the Declarant may be removed only by the Declarant. In the event of removal, successors may then and there be elected by such Members to fill the vacancies thus created.

Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting. The relevant class of Directors or the Executive Board shall designate by resolution or motion when such regular or special meeting shall be held after such meeting is properly set or called in accordance with these Bylaws and Colorado law.

Section 4.8 Vacancies. Any vacancy occurring in the class of either the Residential Directors or the Commercial Directors may be filled by the affirmative vote of a majority of the remaining Directors within the class of membership which elected such Director, though less than a quorum of the Executive Board. Any vacancy of the Director at Large may be filled by the affirmative vote of a majority the remaining Directors, including at least one (1) Residential Director and one (1) Commercial Director; provided, however, if the Directors cannot fill the vacancy in this manner, the Director at Large shall be nominated and elected by the Owners in the manner described in Section 2.6 hereof. The term of any Director so elected shall be coincident with the term of the replaced Director.

Section 4.9 Quorum of Directors. The presence in person or by proxy of a majority of the Directors, including at least one (1) Residential Director and one (1) Commercial Director, fixed from time to time by these Bylaws shall constitute a quorum for the transaction of business on behalf of the entire Association. Any act by a quorum of all Directors shall be an act of the Executive Board except when a higher standard is required, pursuant to the Declaration or the Act. A majority of the number of the Residential Directors or Commercial Directors fixed by these Bylaws shall constitute a quorum for the transaction of business on behalf of either the Residential Owners or Commercial Owners, as permitted herein and in the Declaration. Any act by a quorum of either the Residential Directors or the Commercial

Directors shall be an act of the Directors of the relevant class of Owners. At any meeting of the Executive Board or the Directors representing a class of Owners at which quorum is present, a quorum shall be deemed to exist throughout such meeting until it is adjourned.

Section 4.10 Place and Notice of Directors' Meetings. Regular meetings of the Executive Board or class of Directors shall be held not less often than biannually, without notice, at such place and hour as may be fixed from time to time by the Executive Board or class of Directors. Any special meetings of the Executive Board or class of Directors may be held at such place within the Town of Dillon, and upon such notice as the Board or the Directors of the class of Owners whose meeting is being conducted may prescribe. Attendance of a Director at any meeting shall 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 meeting of the Executive Board or any class of Directors any Member of the Board or such class of Directors may, in writing, waive notice of such meeting, and such waive; shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Executive Board or class of Directors need be specified in the waiver of notice of such meeting. The Executive Board or class of Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Members of the Executive Board or class of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Executive Board or class of Directors. Agendas for all regular and special meetings of the Executive Board or class of Directors shall be made reasonably available for examination by all Members of the Association or their representatives.

The Executive Board or class of Directors may participate in a meeting by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.11 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association, whether acting on behalf of the entire Association or through the class of Directors representing the Owners affected by the relevant issues. The Executive Board and each class of Directors, when acting on behalf of the relevant class, may do all such acts and things which are not specifically required to be done by the Members of the Association by law, the Declaration, the Articles of Incorporation of the Association or these Bylaws.

During the Declarant Control Period, all Members of the Executive Board shall be certified to participate in all Association affairs without regard to the provisions of this Section 4.11 and any specific responsibilities of any class of Directors shall be undertaken by the entire Executive Board, and the entire Executive Board shall be entitled to so act. After expiration of the Declarant Control Period, all Members of the Executive Board shall be entitled to participate in Association affairs which affect the Project in its entirety, the General Common Elements, both the Residential Project and the Commercial Project, both the Residential Owners and the Commercial Owners, or the Common Expenses affecting both the Residential Project and the Commercial Project, which matters are the only matters in which the Director at Large shall participate. The Residential Directors shall have the sole and exclusive authority on all matters which relate solely to the Limited Common Elements-Residential or to the Residential Units. The Commercial Directors shall have the sole and exclusive authority on all matters which relate solely to the Limited Common Elements-Commercial or to the Commercial Units. Any determination by the Directors that a matter should be for consideration of the entire Executive Board, and not for the independent consideration of either or both groups of the Residential Directors and / or the Commercial Directors, shall require, in addition to the affirmative vote of a majority of the voting Directors of the Executive Board, the affirmative vote of at least one (1) Residential Director and one (1) Commercial Director.

If (a) a vote by the Executive Board to determine whether a matter should be for the consideration of the entire Executive Board results in an affirmative vote of a majority of voting Directors, but fails to result in the affirmative vote of least one (1) Residential Director and one (1) Commercial Director; and (b) a majority of all Directors vote within fifteen (15) days thereafter to submit such issue to arbitration, then the issue of whether a matter should be considered by the entire Executive Board shall be submitted to binding arbitration in the Town of Dillon, Summit County, Colorado, in accordance with the rules of the American Arbitration Association then in effect. The decision of the arbitration shall be final and binding on the parties and judgment may be entered thereon in a court having jurisdiction over the Association. The arbitration shall be conducted in the same manner as set forth in Section 2.3 hereof, the cost and expense of which shall be deemed an expense of the Association.

Section 4.12 Other Powers and Duties. Without limiting the generality of the powers and duties set forth in Section 4.11 of these Bylaws, the Executive Board shall be empowered and shall have the powers and duties as follows, whether acting on behalf of the entire Association or through the class of Directors representing the Owners affected by the relevant issues:

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

4.12.2 To adopt and amend from time to time administrative rules and regulations governing the use and operation of the General Common Elements, the Limited Common Elements-Residential and the Limited Common Elements-Commercial, as provided in the Declaration.

4.12.3 To keep in good order, condition and repair all the General Common Elements, Limited Common Elements-Residential, the Limited Common Elements-Commercial and all items of personal property, if any, used in the enjoyment of the Project in accordance with the terms of the Declaration. No approval of the Owners is required for expenditures for these purposes.

4.12.4 To designate and remove personnel necessary for the operation, maintenance, repair and replacement of the General Common Elements, the Limited Common Elements-Residential and the Limited Common Elements-Commercial in accordance with the terms of the Declaration.

4.12.5 In accordance with the terms of the Declaration, to obtain and maintain in effect the insurance coverage specified in the Declaration to the extent that insurance is available from reputable carriers at costs which are not demonstrably unreasonable.

4.12.6 Subject to the budgeting procedures contained in the Declaration, to fix, determine, levy and collect the prorated annual Assessments to be paid by each of the Members 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.

4.12.7 To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies, subject to any limitations imposed by the Declaration and the Act, and further subject to the requirement that all Special Assessments shall be based on a budget adopted in accordance with the terms of the Declaration prior to levying a Special Assessment.

4.12.8 To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; to enforce a late charge of One Hundred Dollars (\$100.00) or such other charge as the Board may fix by role from time to time in connection with Assessments remaining unpaid more than fifteen (15) days from due date for payment thereof; and to collect interest on unpaid Assessments in accordance with Article 8 of the Declaration at the Maximum Rate in effect on the date the obligation to pay such interest arises.

4.12.9 To protect and defend the Project from loss and damage by suit or otherwise.

4.12.10 Subject to restrictions as may be set forth in the Declaration and the Act, to borrow funds in order to pay for any expenditure or outlay required for the Project or portion of the Project pursuant to the authority granted by the provisions of the Declaration and these Bylaws.

4.12.11 To dedicate, sell, or transfer all or any part of the General Common Elements, Limited Common Elements-Residential or Limited Common Elements-Commercial to any public, governmental or quasi-governmental agency, authority or utility for such purposes 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 and the Act.

4.12.12 To enter into contracts, and to establish financial accounts for the treasury and for all separate funds which are required or may be deemed advisable by the Executive Board.

4.12.13 To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements of the Association.

4.12.14 Except as otherwise provided in the Declaration, to collect an initial contribution to working capital from each Condominium Unit Owner who purchases a Condominium Unit from Declarant and from any successor Owner of a Condominium Unit equal to three (3) months' installments of annual Assessments, which shall be used by the Association as a working capital fund for the Common Elements.

4.12.15 To maintain and remove snow from any and all driveways, roadways and parking areas at the Project and to maintain the lawn, trees, shrubs and other vegetation located on the Project for the benefit of the Owners.

4.12.16 In general, to perform all other acts permitted under the Act, 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 condominium ownership and the proper governance and operation of the Association, all in accordance with the Declaration.

Section 4.13 Managing Agent. The Residential Directors shall employ a Managing Agent for the Limited Common Elements-Residential; and the Commercial Directors shall employ a Managing Agent for the Limited Common Elements-Commercial. The Managing Agent for the Commercial Project shall maintain the General Common Elements, provided that the costs and expenses associated therewith shall be allocated to all Owners. The Managing Agents may be the same person or entity and shall be employed at a compensation established by the respective class of Directors, to perform such duties and services as such Directors shall authorize; provided, however, that the Directors in delegating such duties

shall not be relieved of their responsibilities under the Declaration or the Act. The following provisions shall apply with regard to Managing Agents:

Section 4.13.1 Fidelity Insurance or Fidelity Bonds. The Managing Agent shall maintain fidelity insurance coverage or a fidelity bond in an amount of not less than Fifty Thousand and no / 100 Dollars (\$50,000.00) or such higher amount as required by the Act or as the respective class of Directors may require from time to time.

Section 4.13.2 Separate Funds and Accounts. The Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other homeowners associations that are managed by such Managing Agent, and keep and maintain all reserve accounts of each such homeowners association so managed separate from operational accounts of the Association.

Section 4.13.3 Annual Accounting. An annual accounting of the Association funds and a financial statement shall be prepared and presented to the Association by the Managing Agent, a public accountant, or a certified public accountant.

Section 4.14 Directors' Compensation. Directors shall not be paid any compensation for their services performed as such Directors unless a resolution authorizing such remuneration shall have been approved by a majority of the votes in the Association. Each Member of the Executive Board shall receive reimbursement for reasonable actual expenses incurred in connection with the performance of his duties of office as a Member of the Executive Board.

## **ARTICLE V OFFICERS AND THEIR DUTIES**

Section 5.1 Enumeration of Officers. The officers of the Association shall be a President, Vice-President-Residential, Vice-President-Commercial, Secretary-Residential, Secretary-Commercial, Treasurer-Residential, Treasurer-Commercial and such other officers as the Executive Board may from time to time by resolution create. The President must be a Member of the Executive Board. The Secretary-Residential shall be elected from the Residential Directors. The Secretary-Commercial shall be elected from the Commercial Directors.

Section 5.2 Election of Officers. The election of officers shall take place at the first meeting of the Executive Board and thereafter at the first meeting of the Executive Board following each annual meeting of the Members. The action of the Executive Board in electing officers (except during the Declarant Control Period) shall require, in addition to the approval of a majority of voting Directors, the approval of at least one (1) Residential Director and one (1) Commercial Director.

Section 5.3 Term. The officers of the Association shall be elected annually by the Executive Board and each shall hold office for one (1) year unless such officer shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 5.4 Special Appointments. The Executive Board, with the approval of at least one (1) Residential Director and one (1) Commercial Director (but only in the event such classes of Directors exist), may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine.

Section 5.5 Resignation and Removal. Any officer may be removed from office with or without cause by a majority of voting Directors of the Executive Board, including the approval of at least one (1) Residential Director and one (1) Commercial Director. Any officer may resign at any time by giving written notice to the Executive Board or the President. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.6 Vacancies. A vacancy in any office may be filled by appointment by the Executive Board, with the approval of at least one (1) Residential Director and one (1) Commercial Director. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

Section 5.7 Multiple Offices. Any two (2) or more offices may be held by the same person, except the offices of President and any Secretary.

Section 5.8 Duties. The duties of the officers are as follows:

Section 5.8.1 President. The President shall: preside at all meetings designated for all Association Members and the Executive Board; see that orders and resolutions of the Executive Board are carried out; sign all leases, mortgages, deeds and other written instruments; co-sign all promissory notes; and exercise and discharge such other duties as may be required of the President by the Executive Board.

Section 5.8.2 Vice-Presidents. The Vice-President-Residential and Vice-President-Commercial shall: preside at the meetings designated for the Residential Owners and Commercial Owners, respectively; act in the place and stead of the President in the event of his absence, inability or refusal to act; and exercise and discharge such other duties as may be required of the Vice-Presidents by the Executive Board.

Section 5.8.3 Secretaries. The Secretary-Residential and Secretary-Commercial shall: record the votes and keep the minutes of all meetings and proceedings of the Executive Board (with each acting as Secretary at the meetings of the respective classes and one acting at meetings designated for all Members); keep the corporate stamp or seal of the Association and place it on all papers requiring said stamp or seal; serve notice of meetings of the Executive Board and / or classes of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and perform such other duties as required by the Executive Board.

Section 5.8.4 Treasurer. The Treasurer (or Treasurer-Residential and Treasurer-Commercial, as may be deemed necessary) shall: receive and deposit, in separate bank accounts designated as being for General Common Elements, Limited Common Elements-Residential and Limited Common Elements-Commercial all monies of the Association and shall disburse such funds in accordance with the duties incident to the office of Treasurer of a non-profit corporation; sign all promissory notes of the Association; sign all checks of the Association (together with any other required officer) unless the Executive Board specifically directs otherwise; keep proper books of account; when and if deemed necessary by the Executive Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three (3) fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members. In the event of multiple Treasurers, the Treasurer-Commercial shall account for General Common Elements funds and transactions with the

accounting and reasonable administrative expense to be allocated between the Residential Unit Owners and Commercial Unit Owners.

**ARTICLE VI  
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

To the extent permitted by law and consistent with the Articles of Incorporation of the Association, as amended from time to time, the Association shall indemnify every Director, officer, employee and agent of the Association and every person who serves at the request of the Association as a manager, director, officer, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust or other enterprise or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of that person's capacity as such. The indemnification permitted under this Article shall not extend, in any event, to any act or omission occurring prior to the date of incorporation of the Association.

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is reasonably advised by counsel that the person to be indemnified has not been guilty of such actions or omissions in the performance of such person's duties for the Association. The foregoing rights shall not be exclusive of other rights to which such Director or officer or other person may be entitled. All liability, loss, damage, cost and expense arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as a Common Expense.

**ARTICLE VII  
AMENDMENTS**

These Bylaws may be amended by the affirmative vote of a majority of the votes of a quorum in each class in the Association present or represented by proxy at any regular or special meeting, provided that amendments to the Bylaws may not change the rights of one class of Owners without approval of a majority of the votes of a quorum of the Members of such class. No amendment shall serve to shorten the term of any Director, impair the rights of a membership classification without approval of that classification, conflict with the Act or delete any provision which must be contained in these Bylaws under the terms of the Act, or conflict with the Articles of Incorporation of the Association or the Declaration.

**ARTICLE VIII  
COMMITTEES**

The Executive Board of the Association may appoint such committees as deemed appropriate in carrying out its purposes; provided, however, the committees of Residential Directors and Commercial Directors shall exist and shall be deemed to be appointed by resolution of the Executive Board as of the creation of such classes of Directors.

**ARTICLE IX  
BOOKS AND RECORDS**

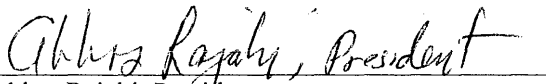
The records of receipts and expenditures of the Executive Board, including records of receipts and expenditures affecting General Common Elements, Limited Common Elements-Residential and Limited Common Elements-Commercial, and other books, records and papers of the Association, including the Declaration, the Articles of Incorporation and these Bylaws of the Association, as well as any Management Agreement and any rules and regulations of the Association shall be available for inspection during convenient weekday business hours by the Owners and their lenders and to holders, insurers or guarantors of First Mortgages at the principal office of the Association, where copies may be purchased at reasonable cost.

**ARTICLE X  
CORPORATE SEAL**

The Association shall have a seal or stamp in circular form having within its form the words: **"LA RIVA DEL LAGO CONDOMINIUM ASSOCIATION, INC."**

**ARTICLE XI  
FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January and end on the last day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

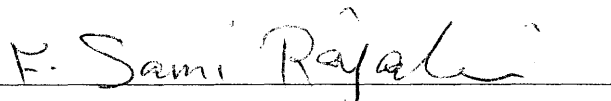
  
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Abbas Rajabi, President  
La Riva del Lago Condominium Association, Inc.  
5801 Piedmont Drive, Englewood, Colorado 80111

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of **LA RIVA DEL LAGO CONDOMINIUM ASSOCIATION, INC.**, a Colorado nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of that Association, as duly adopted by action of the Executive Board of the Association, on the 19<sup>th</sup> day of January, 2007.

  
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**F. Sami Rajabi**, Secretary