

**BYLAWS
OF
GRAND COLORADO ON PEAK 8
OWNERS ASSOCIATION, INC.**

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**BYLAWS
OF
GRAND COLORADO ON PEAK 8 OWNERS ASSOCIATION, INC.**

The name of the corporation shall be Grand Colorado on Peak 8 Owners Association, Inc., a Colorado nonprofit corporation (the "Association").

ARTICLE 1. PURPOSES, ASSENT OF OWNERS, AND DEFINITIONS

Section 1.1 Purposes. The Association is formed pursuant to the Colorado Revised Nonprofit Corporation Act, Colo. Rev. Stat. § 7-121-101 et seq. (the "Nonprofit Act") and the Colorado Common Interest Ownership Act, Colo. Rev. Stat. § 38-33.3-101 et seq. (the "Act"), as each may be amended from time to time. The primary purposes for which the Association is formed are (a) to provide for the operation, administration, use, and maintenance of certain common areas and other property more fully described in the Condominium Declaration and Plan of Vacation Ownership for Grand Colorado on Peak 8, recorded in the office of the Clerk and Recorder of Summit County, Colorado, as amended or supplemented from time to time (the "Declaration"); (b) to preserve, protect, and enhance the values and amenities of such property; and (c) to promote the health, safety, and welfare of members of the Association.

Section 1.2 Assent. All present or future Owners, Occupants, or any other Persons using the facilities of the Project in any manner are subject to these Bylaws and any Rules and Regulations adopted by the Board of Directors pursuant to these Bylaws. Acquisition or rental of any Unit in the Project, or the mere act of occupancy of any Unit, shall constitute an acceptance and ratification of these Bylaws and an agreement to comply with said Rules and Regulations.

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 2. MEMBERSHIP

Section 2.1 Membership. Ownership of a Unit is required in order to qualify for membership in the Association. There shall be three (3) Classes of members in the Association, consisting of the Residential Class, the Vacation Class, and the Commercial Class.

Section 2.2 Responsibilities of Owners. Each membership is appurtenant to the fee simple title to a Unit or Vacation Estate. Any Person, including Declarant, upon becoming an Owner, shall automatically become a member of the Association and be subject to these Bylaws. Membership shall terminate without any formal Association action whenever such Person ceases to own a Unit or Vacation Estate, but such termination shall not relieve or release any former Owner from any liability or obligation incurred under these Bylaws, or in any way connected with the Association arising during the period of such ownership, and shall not impair any rights or remedies which the Board of Directors

or others may have against such former Owner arising out of ownership of the Unit or Vacation Estate and membership in the Association and the covenants and obligations incident thereto. Following termination of the Project, the Association will consist of all Owners entitled to share in the distribution of proceeds of a sale of the Project pursuant to the Act.

Section 2.3 Membership Certificates. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card shall be surrendered to the secretary of the Association whenever ownership of the Unit designated on the card is transferred and membership terminates.

Section 2.4 Voting Rights. Declarant shall be entitled to vote with respect to any Unit owned by it. Cumulative voting shall not be allowed in the election of the Board of Directors or for any other purpose. The Association shall not have a vote with respect to any Unit which may be owned by it. Percentages of Owners or of votes stated in the Condominium Documents shall be deemed to mean the stated percentage of the number of total votes required to be cast in order to satisfy quorum requirements or, if expressly required, the Total Voting Power as defined in the Declaration, or of the eligible votes within a Class. Class voting by Vacation Owners, Residential Owners and Commercial Owners shall be allowed on issues specifically relating to or directly affecting only the Vacation Units, the Residential Units or the Commercial Units, respectively, and on which Owners are otherwise entitled to vote, as set forth in the Declaration. The votes of Owners within each Class shall be in proportion to the voting power of each such Owner relative to the aggregate votes in the Class.

Section 2.5 Designated Person and Registered Address.

(a) If title to a Unit or Vacation Estate is held by more than one individual, by a firm, corporation, partnership, association or other legal entity or any combination thereof, such individuals, entity, or entities shall, by written instrument executed by all such parties and delivered to the Association, appoint and authorize one (1) person to represent the Owner(s) of the Unit or Vacation Estate (the "Designated Representative"). Such representative shall be a natural person who is an Owner, or a designated board member or officer of a corporate Owner, or a general partner of a partnership Owner, or a comparable representative of any other entity, and such representative shall have the authority to make decisions and take actions relating to the Unit or Vacation Estate and to membership in the Association including, without limitation, the power to cast votes on behalf of the Owners as a member of the Association and serve on the Board of Directors if elected. The Designated Representative shall be the person to whom all notices and deliveries under the Condominium Documents are addressed.

(b) There shall be a single registered mailing address and email address associated with each Unit. The Owner, or the Designated Representative of the Owners, of a Unit shall furnish such registered address to the Association within ten days after transfer of title to the Unit to such Owner or Owners. Such registration shall be in written form and signed by the individual Owner or the Designated Representative, as applicable. If no address is registered or current email address is provided, then any notice shall be deemed duly given if delivered to the Unit if a copy of such notice is held and available for the Owner at the principal office of the Association.

ARTICLE 3. MEETINGS OF OWNERS

Section 3.1 Place of Meeting. Meetings of the Owners shall be held at such place, within the State of Colorado, as the Board of Directors may determine. Such place may include meetings conducted solely by means of remote communications, subject to guidelines adopted by the Board that include reasonable measures to verify the participation of persons attending are Owners and to provide Owners with a reasonable opportunity to participate, vote, communicate, and read or hear the proceedings of the meeting.

Section 3.2 Annual Meeting. Regular meetings of Owners shall be held annually. The first annual meeting of the Owners shall be held within one (1) year after the date of the adoption of these Bylaws. Thereafter, the annual meetings of the Owners shall each be held on a date and at a time selected by the Board of Directors each year. The purpose of the annual meetings is to (i) propose and/or review the Budget; (ii) after the Period of Declarant Control, to elect the members of the Board of Directors; and (iii) to transact such other Association business as may properly come before the Owners at the meeting.

Section 3.3 Special Meetings. Calls for special meetings of the Owners may be made (i) by the president of the Association, (ii) by a majority of the Board of Directors, (iii) by written instrument signed by Owners representing twenty percent (20%) of the Total Voting Power in the Association, or (iv) if the special meeting is being called to address issues on which only a particular Class of Owners is entitled to vote, by Owners within such Class having twenty percent (20%) of the votes entitled to be cast at such meeting.

Section 3.4 Notice of Meetings. Written notice (including electronic) of each meeting shall be delivered to the registered address of each Owner entitled to be represented by a vote not fewer 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 secretary, or the Persons calling the meeting as provided under these Bylaws. Such notice shall state (i) basic meeting information such as the place, day, and hour of the meeting and (ii) the items on the agenda for the meeting, including the general nature of any proposed amendment to the Declaration or these Bylaws, any proposal to remove an officer or member of the Board of Directors, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. No action shall be adopted at a meeting except as stated in the notice. Attendance at any meeting by a member shall constitute a waiver of notice by that member, except where a member attends the meeting for the expressed purpose of objecting that the meeting was not lawfully called or convened. If electronic means are available, the Association shall provide notice of all regular and special meetings of Owners by electronic mail to all Owners who so request and who furnish the Association with their electronic mail addresses, as soon as possible but in all cases, at least twenty four (24) hours before such meetings.

Section 3.5 Meeting to Approve Annual Budget. The Budget shall be adopted annually in accordance with the Declaration and the applicable provisions of the Act.

Section 3.6 Adjourned Meetings. If any meeting of the Owners cannot be organized because a quorum, as defined below, is not present, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.

Section 3.7 Proxies. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless the proxy indicates an earlier termination date. A form of proxy may be distributed to each Owner to afford the Owner(s) of such Unit the opportunity to cast the vote allocated to such Unit in absentia at a meeting of Owners of the Association, provided that it meets the requirements for a written ballot set forth in Section 3.12 below and includes the name or names of the person(s) to whom the proxy is given and who expect to be in attendance in person at the meeting for the purpose of casting the vote to reflect the absent Owner's vote.

Section 3.8 Multiple Owners-Proxy. If title to a Unit is held by more than one Person, and if only one of such multiple Owners of a Unit is present at a meeting of the Association, such Owner is entitled to cast the vote allocated to that Unit. If more than one of the multiple Owners of a Unit are present, in person or by proxy, and there is no Designated Representative as required under Section 2.5, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Owners, which majority agreement may be assumed for all purposes if any one of the multiple Owners cast the vote allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit. If such protest is made, the vote allocated to the Unit may only be cast by written instrument executed by all Owners who are present at the meeting. With respect to Vacation Units, the provisions of this Section 3.8 shall apply to multiple ownership of a Vacation Estate rather than a Unit, and references herein to Unit shall be deemed to mean Vacation Estate in that context.

Section 3.9 Quorum. Except as otherwise provided in these Bylaws, the presence at the beginning of the meeting in person or by proxy of the Owners possessing sufficient votes to constitute ten percent (10%) of the Total Voting Power of all Owners shall constitute a quorum, and such Owners present in person or by proxy shall constitute the Owners entitled to vote upon any issue presented at a meeting at which a quorum is present. With respect to issues which may be decided by Owners in a particular Class voting as a Class, the presence at the beginning of the meeting in person or by proxy of Owners within such Class possessing sufficient votes to constitute ten percent (10%) of the votes of all Owners in the Class shall constitute a quorum as to such matters concerning the Class, and such Owners within the Class present in person or by proxy shall constitute the Owners entitled to vote upon issues that may be decided by Owners voting as a Class presented at such meeting where a quorum of the Class is present.

Section 3.10 Voting. Except as otherwise required by the Declaration, the Act or by these Bylaws, (a) the votes of Owners who are present either in person or by proxy at any duly convened meeting of the Association at which a quorum has been established and who cast a simple majority of the total votes eligible to be voted by such present or represented Owners shall decide any question under consideration, and shall constitute the act of and be binding upon the Association; and (b) the votes of Owners in a Class who

are present, either in person or by proxy, at any duly convened meeting of the Association at which a quorum of such Class has been established and who cast a simple majority of the total votes eligible to be voted by such present or represented Owners of such Class shall decide any question under consideration applicable to such Class and constitute the act of and be binding on the Class, and the Association, if applicable. Notwithstanding the foregoing, the following matters require approval or rejection by a percentage of the Total Voting Power in the Association or in a Class, rather than by those present at a meeting where quorum requirements have been satisfied, as further specified in the Condominium Documents: (a) the Budget, (b) certain amendments of the Condominium Documents, (c) termination of the condominium regime, (d) conveyance or encumbrance of Common Elements, (e) extension of the term of the Declaration, excepting any automatic extensions thereof, (f) removal of any member of the Board of Directors or (g) the determination not to repair or replace any portion of the Project for which insurance coverage is required under the Declaration.

Section 3.11 Waiver of Meeting and Consent to Action. Whenever the vote of Owners at a meeting of the Association is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Association (including, without limitation, an annual meeting or a vote on ratification of the Budget) the meeting and vote of Owners may be dispensed with and the action in question may be approved if (a) notice (including electronic notice) of the proposed action is given to all Owners eligible to vote, and (b) a sufficient number of Owners eligible to vote concerning such matter consent in writing to dispense with the meeting and consent in writing to the action in question (each of which consent may be made by electronic means). A sufficient number is at least the number required to satisfy the voting power that would be necessary to approve the action at a meeting.

Section 3.12 Action by Written Ballot. Any action that may be taken at any annual or special meeting of Owners (including, without limitation, an annual meeting or ratification of the Budget) may be taken without a meeting and through voting by written (including electronic) correspondence, if the following requirements are met:

(a) a written ballot (including electronic) is distributed to every Owner entitled to vote on the matter, setting forth each proposed action and providing an opportunity to vote for or against each proposed action;

(b) the solicitation for votes by written ballot (i) indicates the number of responses needed to meet the quorum requirements for authorization or rejection of the proposed action (or, if the quorum provisions do not apply to the proposed action, as further set forth in Section 3.10 above, specifies the same); (ii) states the percentage of votes needed to authorize or reject each matter, other than election of the Board of Directors (or, if the proposed action is ratification of the Budget pursuant to Section 3.5 above, states that (A) the Budget will be ratified unless rejected by a majority of the Total Voting Power in the Association and, if applicable (B) states that any provisions of the Budget that is a Class voting matter will be ratified unless rejected by a majority of the Owners within such applicable Class); (iii) specifies the time by which a ballot must be received by the Association in order to be counted; and (iv) is accompanied by written information (including, if applicable, a summary of any proposed Budget) sufficient to permit each Person casting such ballot to reach an informed decision on the matter; and the number of votes cast by written ballot (including electronic) in favor or against the proposed action equals or exceeds the number of votes in favor or against that would be required to authorize or reject the action at a meeting at which

the total number of votes cast was the same as the number of votes cast by written ballot (including electronic).

(c) A written ballot delivered to the Association pursuant to this Section 3.12, may not be revoked. Action taken under this Section 3.12 has the same effect as action taken at a meeting of Owners and may be described as such in any document.

Section 3.13 Representation of Mortgagees. All First Mortgagees or their representatives shall be entitled to attend Association meetings of the Owners and shall have the right to address the Owners regarding such First Mortgagees' issues and concerns relating to the Project. This Section 3.13 may not be amended without the consent of a majority of First Mortgagees.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors, initially composed of three (3) natural person(s). At the first meeting of the Association after the Period of Declarant Control, at least three (3), and in any event an odd number of Owners, shall be elected to the Board of Directors by the Owners.

Section 4.2 Required Election of Owners. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units that may be created by Declarant to Owners other than Declarant, at least one (1) member and not fewer than twenty-five percent (25%) of the members of the Board of Directors shall be elected by Owners other than Declarant. Not later than sixty (60) days after conveyance of fifty percent (50%) of the Units that may be created by Declarant to Owners other than Declarant, not fewer than thirty-three and one-third percent (33-1/3%) of the members of the Board of Directors must be elected by Owners other than Declarant. Not later than the termination of the Period of Declarant Control, the Owners shall elect all members of the Board of Directors, at least a majority of whom shall be Owners other than Declarant or Designated Representatives of Owners other than Declarant. In order to assure representation of each Class in the affairs of the Association and to protect the valid interests of the Owners within each Class in the operation of the Project following the termination of the Period of Declarant Control, then from and after the date on which one or more Units have been submitted to the Plan of Vacation Ownership, the Vacation Owners, voting as a Class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors; the Residential Owners, voting as a Class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors; and the Commercial Owners, voting as a class, shall be entitled to elect the greater of one member or twenty-five percent (25%) of the members of the Board of Directors. The Board of Directors shall elect the officers. The members of the Board of Directors and officers shall take office upon election. Votes for contested elections to the Board of Directors shall be by secret ballot.

Section 4.3 Declarant Control of the Association. There shall be a Period of Declarant Control of the Association, during which Declarant, or Persons designated by Declarant, may appoint and remove the officers of the Association and members of the Board of Directors (subject to the

requirements of Section 4.2 above). The Period of Declarant Control shall commence upon filing of the Articles of Incorporation and shall terminate as provided in the Declaration.

Declarant may voluntarily surrender the right to appoint and remove officers and members of the Board of Directors before termination of the Period of Declarant Control. In that event, Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board of Directors, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

The names and addresses of the Persons who are to initially act in the capacity of the members of the Board of Directors until their successors are duly elected and qualified are as set forth in the organizational consent minutes of the Association, a copy of which has been placed in the Association's minute book.

Section 4.4 Election and Term of Office. Until the first annual meeting after the Period of Declarant Control terminates, the terms of members of the Board of Directors not appointed by Declarant shall, unless otherwise required by a resolution of the Board at the time of each such member's election, continue until and expire on the date of the first meeting of the Owners following termination of the Period of Declarant Control. At the first meeting of the Association after the Period of Declarant Control, the terms of all existing members of the Board of Directors shall be deemed to have expired, and an election shall be held for all members of the Board of Directors. The terms of the members of this initial Board of Directors elected by the Owners shall be staggered so that one (1) or more members shall be elected to serve a one (1) year term, one or more members shall be elected to serve a two (2) year term, and one or more members shall be elected to serve a three (3) year term. At the expiration of the initial term of office for each respective member of the Board of Directors, his or her successor shall be elected to serve a term of three (3) years. Notwithstanding any provision in this Section 4.4 to the contrary, members of the Board of Directors may be elected by written consent or ballot pursuant to the conditions set forth in Sections 3.11 or 3.12 above. Each member of the Board of Directors shall hold office until the election and qualification of his or her successor, unless such a member is removed or otherwise vacates in accordance with these Bylaws. At any meeting at which one or more members of the Board of Directors is to be elected, the Owners may, by resolution, adopt specific procedures which are not inconsistent with these Bylaws or the Nonprofit Act for conducting the elections.

Section 4.5 Removal of Members of the Board of Directors. A regular or special meeting of Owners may be called for the purpose of considering the removal of any member of the Board of Directors. The Board of Directors shall designate by resolution or motion the date and time of such regular or special meeting after such meeting is properly set or called in accordance with these Bylaws. Any one (1) or more of the members of the Board of Directors, other than a member appointed by Declarant, may be removed with or without cause by an affirmative vote of sixty-seven percent (67%) of the voting power of the Owners present in person or represented by proxy and eligible to vote; provided, however that only sixty-seven percent (67%) of the voting power of the Owners within a certain Class may remove without cause a member of the Board of Directors elected by such Class. Any member of the Board of Directors whose removal has been proposed shall be given an opportunity to be heard at the meeting. Successors may then and there be elected by a majority of the remaining Board of Directors; provided however, that members elected by a Class shall be replaced with an Owner or Designated Representative within such Class. If the entire

Board of Directors is removed at once, an election by the Owners present in person or represented by proxy and eligible to vote to fill the vacancies thus created shall be immediately held at the same meeting.

Section 4.6 Vacancies.

(a) During Period of Declarant Control. During the Period of Declarant Control, if a member of the Board of Directors dies or resigns, Declarant shall appoint a new member of the Board of Directors.

(b) After the Period of Declarant Control. After the Period of Declarant Control, any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of all of the remaining Board of Directors (though the remaining members may be less than a quorum of the Board of Directors); provided, however, that members elected by a Class shall be replaced with an Owner within such Class. The term of the member of the Board of Directors so elected shall be coincident with the term of the replaced member of the Board of Directors.

Section 4.7 Quorum of the Board of Directors. A majority of the number of members of the Board of Directors fixed from time to time by these Bylaws shall constitute a quorum for the transaction of business. Any act by a majority vote of the Board of Directors in attendance where a quorum is present shall be an act of the Board of Directors, subject to the Class and Class Committee requirements of the Declaration.

Section 4.8 Place and Notice of the Board of Directors Meetings. Any regular or special meetings of the Board of Directors may be held at such place within or without the State of Colorado and upon such notice as the Board of Directors may prescribe. Any special meeting of the Board of Directors shall be preceded by at least two days' notice of the date, time and place of the meeting. The Board of Directors shall hold a regular meeting at least once each year and shall, in addition, meet as often as they deem necessary or desirable to perform their duties hereunder. Attendance of a member of the Board of Directors at any meeting shall constitute a waiver of notice of such meeting, except when a member of the Board of Directors 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 Board of Directors, any member of the Board of Directors may, in writing, waive notice of such meeting, and such waiver 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 Board of Directors need be specified in the waiver of notice of such meeting. The Board 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 Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board of Directors. All or some of the members of the Board of Directors may participate in a meeting by means of a conference telephone, electronic conferencing or similar communications equipment by which all Persons participating in the meeting can hear each other or read the words of each other at the same time. Such participation shall constitute presence in person at the meeting.

Section 4.9 Powers and Duties. The Board of Directors shall have, subject to the limitations contained in the Declaration and the Act, the powers and duties necessary, desirable, or

appropriate for the administration of the affairs of the Association and for the operation and maintenance of the Project, including (but not limited to) the powers and duties stated in the Declaration.

Section 4.10 Managing Agent. The Board of Directors may employ for the Association a Managing Agent at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize; provided, however, that the Board of Directors in delegating such duties shall not be relieved of its responsibility under the Declaration. The Managing Agent shall maintain fidelity insurance coverage or a bond for the benefit of the Association in an amount of not less than fifty thousand dollars, or such higher amount as the Board of Directors may require. The Managing Agent shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Managing Agent and shall maintain all reserve accounts for the Association separate from the operational accounts of the Association. The Managing Agent shall provide an annual accounting for Association funds and a financial statement to the Association.

Section 4.11 Compensation of the Members of the Board of Directors. Except as provided in this Section 4.11., members of the Board of Directors shall not be paid any compensation for their services performed as members of the Board of Directors unless a resolution authorizing such remuneration shall have been adopted by the members of the Association. Each member of the Board of Directors shall receive lodging for attendance at any regular or special meeting of the Board of Directors, but will not receive reimbursement for expenses incurred in connection with the performance of his or her duties of office as a member of the Board of Directors, unless otherwise agreed upon, in advance, by the Board of Directors.

Section 4.12 Executive Sessions. Meetings of the Board of Directors may be held in executive session(s), without giving notice and without the requirement that they be open to Owners, in the following situations (as may be expanded or limited under the Act or applicable law):

- (a) matters pertaining to employees of the Association or involving the employment, promotion, discipline or dismissal of an officer, agent, or employee of the Association;
- (b) 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;
- (c) investigative proceedings concerning possible or actual criminal misconduct;
- (d) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and
- (f) review of or discussion relating to any written or oral communications from legal counsel.

Upon the final resolution of any matter for which the Board of Directors received legal advice or that concerned pending or contemplated litigation, the Board of Directors may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Section 4.13 Conflict of Interest. All conflicts of interest shall be handled in accordance with Section 7-128-501 of the Colorado Revised Nonprofit Corporation Act, which provides as follow:

(a) No loans shall be made by a corporation to its directors or officers and any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof;

(b) No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the nonprofit corporation, solely because the conflicting interest transaction involves a director of the nonprofit corporation or a party related to a director or an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the nonprofit corporation's board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if (i) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, or (ii) the material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon, or (iii) the conflicting interest transaction is fair as to the nonprofit corporation; and

(c) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction.

ARTICLE 5. OFFICERS AND THEIR DUTIES

Section 5.1 Enumeration of Officers. The officers of the Association shall be a president, vice president, secretary, and treasurer, and such other officers as the Board of Directors may from time to time by resolution create. The president must be a member of the Board of Directors.

Section 5.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the Owners.

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

Section 5.4 Special Appointments. The Board of Directors 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 of Directors may from time to time determine.

Section 5.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president, or the secretary. 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 Board of Directors. 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. Except for the offices of president and vice president, any two (2) or more offices may be held by the same person.

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

(a) President. The president shall preside at all meetings of the Owners and of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign on behalf of the Association all leases, mortgages, deeds, notes and other written instruments; and shall exercise and discharge such other duties as may be required of the president by the Board of Directors. In addition, the president shall have all of the general powers and duties that are incident to the office of president of a nonprofit corporation organized under the laws of the State of Colorado, including but not limited to, the power to appoint committees from among the Owners from time to time as the president may decide is appropriate to assist in the conduct of the affairs of the Association. The president may fulfill the role of treasurer in the absence of the treasurer. The president may cause to be prepared and may execute amendments, attested by the secretary, to the Declaration (in accordance with the provisions of the Declaration) and these Bylaws on behalf of the Association, following authorization or approval of the particular amendment, as applicable.

(b) Vice President. The vice president shall act in the place and stead of the president in the event of his or her absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required of the vice president by the Board of Directors.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Owners; keep the corporate stamp or seal of the Association, if any, and place it on all papers requiring said stamp or seal, if necessary; serve notice of meetings of the Board of Directors and of the Owners; keep appropriate current records showing the Owners and Designated Representatives together with their addresses; and shall perform such other duties as may be required of the secretary by the Board of Directors.

(d) **Treasurer.** The treasurer shall receive and may endorse on behalf of the Association, for collection only, all checks, notes, and other obligations and shall deposit the same and all monies in appropriate bank accounts of the Association. The treasurer shall disburse such funds as directed by resolution of the Board of Directors; keep proper books of account; at the direction of the Board of Directors, cause an audit of the Association books to be made; and prepare the annual Budget and a statement of income and expenditures to be presented to the Owners at the regular annual meeting of Owners, and deliver a copy of each to the Owners. Except for reserve funds described below, the treasurer may have custody of and shall have the power to endorse for transfer, on behalf of the Association, stock, securities or other investment instruments owned or controlled by the Association or as fiduciary for others. Reserve funds of the Association shall be deposited in such segregated accounts or other investments as the Board of Directors decides in accordance with the Rules and Regulations. Funds may be withdrawn from these reserves for the purposes for which they were deposited, by check or order, by the Treasurer or another officer provided that the Board of Directors may adopt resolutions imposing limitations on the manner of withdrawal or requiring more than one signatory for certain types of withdrawals.

Section 5.9 Execution of Instruments. All agreements, contracts, deeds, leases, checks, notes and other instruments of the Association may be executed by any person or persons as may be designated by resolution of the Board of Directors, including the Managing Agent. Any officer may prepare, execute, certify and record duly adopted amendments to the Declaration on behalf of the Association. If appropriate, the Managing Agent or any officer of the Association may file an election under Section 528 of the Internal Revenue Code in any given year for the Association.

ARTICLE 6. INDEMNIFICATION

Section 6.1 Actions Other than by or in the Right of the Association. The Association shall indemnify any Person who was or is a party, or is threatened to be made a party to any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that such Person is or was a member of the Board of Directors or officer, who is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) judgments, fines, amounts paid in settlement actually and reasonably incurred by such Person in connection with such action, suit or proceeding, if such Person acted in good faith and in a manner that he or she reasonably believed to be in the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that the Person did not act in good faith and in a manner such Person reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had reasonable cause to believe his or her conduct was unlawful.

Section 6.2 Actions by or in the Right of the Association. The Association shall indemnify any Person who was or is a party or who is threatened to be made a party to any pending

or completed action or suit by or in the right of the Association to procure judgment in its favor by reason of the fact that such Person is or was a member of the Board of Directors or officer or is or was serving at the request of the Association in such capacity, against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by such Person in connection with the defense or settlement of such action or suit if such Person acted in good faith and in a manner that he or she reasonably believed to be in the best interests of the Association; but no indemnification shall be made in respect of any claim, issue or matter as to which such Person has been adjudged to be liable for negligence, recklessness, or willful misconduct in the performance of his or her duty to the Association unless, and to the extent that, the court in which such action or suit was brought determines upon application that (despite the adjudication of liability), in view of all circumstances of the case, such Person is fairly and reasonably entitled to indemnification for such expenses.

Section 6.3 Successful on the Merits. To the extent that a member of the Board of Directors or officer of the Association has been wholly successful on the merits in defense of any action, suit or proceeding referred to in Section 6.1 or Section 6.2 of this Article 6, or in defense of any claim, issue or matter therein, such Person shall be indemnified against expenses (including expert witness fees, attorneys' fees and costs) actually and reasonably incurred by him or her in connection therewith.

Section 6.4 Determination Required. Any indemnification under Sections 6.1 or 6.2 of this Article 6 (unless ordered by a court) and as distinguished from Section 6.3 of this Article 6, shall be made by the Association only as authorized by the specific case upon a determination that indemnification of such Person is proper in the circumstances, because such Person has met the applicable standard of conduct set forth in Sections 6.1 or 6.2 above. Such determination shall be made by the Board of Directors by majority vote of those members of the Board of Directors who were not parties to such action, suit or proceeding or, if a majority of disinterested members of the Board of Directors so directs, by independent legal counsel or by members entitled to vote thereon. Such determination shall be reasonable, based on substantial evidence of record, and supported by a written opinion. The Board of Directors shall provide a copy of its written opinion to the Person seeking indemnification upon request.

Section 6.5 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses incurred by a former or current member of the Board of Directors or officer who is a party to a proceeding in advance of final disposition of the proceeding if: (i) such Person furnishes to the Association a written affirmation, executed personally or on such Person's behalf, of his or her good faith belief that he or she has met the standard of conduct described in Sections 6.1 or 6.2 of this Article 6; (ii) such Person furnishes to the Association a written agreement, executed personally or on such Person's behalf, to repay the advance if it is ultimately determined that he or she did not meet the required standard of conduct; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. The undertaking required in this paragraph shall be an unlimited general obligation of the Board of Directors but need not be accepted by a particular Board member or officer or may be accepted without reference to financial ability to make repayment.

Section 6.6 No Limitation of Rights. The indemnification provided by this Article 6 shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the members or disinterested members of the Board of Directors, or otherwise, nor by any rights which are granted pursuant to the Act and the Nonprofit Act.

Section 6.7 Directors and Officers Insurance. As and to the extent provided in the Declaration, the Association shall purchase and maintain insurance on behalf of any Person who is or was a member of the Board of Directors or an officer of the Association against any liability asserted against him or her and incurred by such Person in any such capacity or arising out of his or her status as such, whether or not the Association would have the power to indemnify such Person against such liability under provisions of this Article.

ARTICLE 7. BYLAWS

Section 7.1 Amendments. Except as provided in Section 3.13, these Bylaws may be amended by (i) a vote of a majority of a quorum of the Board of Directors at a regular or special meeting of the Board of Directors, or (ii) at any regular meeting of the Owners or at any special meeting called for the purpose of amending the Bylaws, by the affirmative vote of a majority of a quorum of Owners present at the meeting in person or represented by proxy and eligible to vote. Any amendment shall be binding upon every Owner. Any provision of these Bylaws adopted at a regular or special meeting of the Owners may thereafter only be amended at a regular or special meeting of the Owners. Notwithstanding the above, neither the Board nor the Owners shall have any power to amend the Bylaws in such a manner as to materially change the effect of the express provisions of the Declaration unless any standard for an amendment of such provisions in the Declaration is satisfied. No amendment shall serve to shorten the term of any member of the Board of Directors, or conflict with the Nonprofit Act or the Act or delete any provision which must be contained in these Bylaws under the terms of the Nonprofit Act or the Act, or conflict with the Articles of Incorporation of the Association.

Section 7.2 Compliance with the Act. These Bylaws are intended to comply with the requirements of the Act and the Nonprofit Act. If any of these Bylaws conflict with the provisions of the Act or the Nonprofit Act, the provisions of the Act or the Nonprofit Act, as applicable, will govern the Association.

Section 7.3 Conflict Between Documents. In the case of any conflict between or among the Condominium Documents, the Declaration controls over the Articles of Incorporation, these Bylaws and the Rules and Regulations. The Articles of Incorporation control over these Bylaws and the Rules and Regulations. These Bylaws control over the Rules and Regulations.

ARTICLE 8. COMMITTEES

The Board of Directors may appoint such committees as deemed appropriate which, to the extent provided for in the resolution appointing the committee and allowed by law, shall have the powers of the Board of Directors in the management and affairs and business of the Association, which shall include the Class Committees, as described in the Declaration.

ARTICLE 9. INFORMATION, BOOKS AND RECORDS

Section 9.1 Statement of Unpaid Assessments. The Association shall provide statements of unpaid assessments in accordance with Section 33-33.3-316 of the Act, as described in the Declaration. The treasurer, a Managing Agent employed by the Association or, in their absence, any officer having access to the books and records of the Association may prepare, certify, and execute such statements. The amount of any fee for preparing such statements of unpaid Assessments and the time of payment shall be set forth in the Rules and Regulations. Any such fee that is not paid when due may be assessed as a default Assessment against the Unit or Vacation Estate for which the certificate or statement is furnished.

Section 9.2 Disclosure of Basic Information. The Association or its Managing Agent shall provide to the Owners, at least one time per year, a written notice (including electronic) stating: (a) the name of the Association; (b) the name of the Project; (c) the initial date of recording for the Declaration and its reception number or book and page; (d) the name of the Association's Managing Agent, if any; and (e) a valid physical address and telephone number for both the Association and the Managing Agent. The Association and the Managing Agent, in the sole discretion of each, may decide to forego delivery of these disclosures to Vacation Owners in accordance with applicable laws.

Section 9.3 Turnover of Declarant Control - Deliveries from Declarant to Association. Within sixty (60) days after the Owners other than the Declarant elect a majority of the members of the Board of Directors, the Declarant shall deliver to the Association all property of the Owners and of the Association held by or controlled by the Declarant, including without limitation the following items (to the extent they are in Declarant's possession or control):

(a) the original or a certified copy of the recorded Declaration and Map and any amendments thereto, the Articles of Incorporation, the Bylaws, minute books, other books and records, and any Rules and Regulations which may have been promulgated;

(b) an accounting for Association funds and financial statements, commencing on the date the Association first received funds and ending on the date the Period of Declarant Control ends. The financial statements shall be audited by an independent certified public accountant and shall be accompanied by the accountant's letter, expressing either the opinion that the financial statements present fairly the financial position of the Association in conformity with generally accepted accounting principles or a disclaimer of the accountant's ability to attest to the fairness of the presentation of the financial information in conformity with generally accepted accounting principles and the reasons therefor. The expense of the audit shall not be paid for by or charged to the Association;

(c) the Association funds or control thereof;

(d) all of the Declarant's tangible personal property that has been represented by the Declarant to be the property of the Association or all of the Declarant's tangible personal property that is necessary for, and has been used exclusively in, the operation and enjoyment of the Common Elements, together with an inventory of such property (if any) and the Declarant shall convey all personal property itemized in the inventory to the Association by bill of sale;

(e) a copy, for the non-exclusive use of the Association, of any plans and specifications used in the construction or renovation of the Improvements;

(f) all insurance policies then in force, in which the Owners, the Association or its members of the Board of Directors and officers are named as insured Persons;

(g) copies of any certificates of occupancy that may have been issued with respect to the Improvements;

(h) any permits issued by governmental bodies applicable to the Project and which are currently in force or which were issued within one year prior to the date on which Owners other than the Declarant took control of the Association;

(i) any written warranties of the contractor, subcontractors, suppliers, and manufacturers that are still effective;

(j) a roster of Owners and First Mortgagees and their addresses and telephone numbers, if known, as shown on the Declarant's records;

(k) employment contracts in which the Association is a contracting party;
and

(l) any service contract in which the Association is a contracting party or in which the Association or the Owners have any obligation to pay a fee to the Persons performing the services.

Section 9.4 Disclosure of Financial Information To Owners by Association. Within ninety (90) days after the Association assumes control of the Board of Directors from the Declarant and within ninety (90) days following the end of each fiscal year thereafter, the Association or its Managing Agent shall make the following information available to the Owners by: (1) a posting on an internet web page with accompanying notice of the web address via first class mail or electronic mail; (2) the maintenance of a literature table or binder at the Association's principal place of business; or (3) mail or personal delivery:

(a) the date on which the fiscal year for the Association commences;

(b) the Association's Budget for the current fiscal year;

(c) a list, by Unit type (if applicable), of the association's current Assessments, including both annual and special Assessments;

(d) the Association's annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;

(e) the results of any financial audit or review;

(f) a list of all Association insurance policies which states, with respect to each insurance company: names, policy limits, policy deductibles, additional named insureds and expiration dates of policies listed, including but not limited to, property, general liability, director and officer professional liability and fidelity policies;

(g) the Association's Bylaws, Articles, and any Rules and Regulations adopted by the Board of Directors;

(h) the minutes of the meetings of the Board of Directors and of the Owners for the fiscal year immediately preceding the current annual disclosure; and

(i) the Association's responsible governance policies adopted pursuant to Section 38-33.3-209.5 of the Act.

The Association and the Managing Agent, in the sole discretion of each, may decide to forego delivery of these disclosures to Vacation Owners in accordance with applicable laws.

Section 9.5 Examination. All records maintained by the Association or the Managing Agent, other than those permitted or required to be withheld in accordance with the Act or other applicable law, shall be available for examination and copying by any Owner or by any of their duly authorized representatives or requesting Eligible First Mortgagees, at the expense of the Person examining the records, during normal business hours and after reasonable notice; provided that a Roster (as defined in Section 9.7) or any other type of list of Owners, or any part thereof, may not be obtained or used by a Person for any purpose in violation of the Governing Documents or the Act, without the consent of the Board of Directors.

Section 9.6 Records. The Association shall keep the following records in written form or another form capable of conversion into written form within a reasonable time:

(a) An account for each Unit and Vacation Estate, which shall designate the name and address of each Owner, the name and address of each mortgagee who has given notice to the Association that it holds a mortgage on the Unit or Vacation Estate, the amount of each Assessment, the dates on which each Assessment comes due, the amounts paid on the account and the balance due;

(b) financial records sufficiently detailed to enable the Association to comply with Section 38-33.3-316(8) of the Act concerning statements of unpaid Assessments;

(c) the Roster in a form that permits preparation of a list of the names and addresses of all Owners and Designated Representatives showing the number of votes to which each Owner is entitled (which may exclude such information for Vacation Owners and their Designated Representatives).

(d) The current operating Budget;

(e) A record of insurance coverage provided for the benefit of Owners and the Association;

(f) Tax returns for state and federal income taxation;

(g) Minutes of proceedings of all meetings of the Owners, Board of Directors and its committees, records of all actions taken by the Owners or Board of Directors by written ballot or written consent in lieu of a meeting, records of all actions taken by committees of the Board of Directors and a record of all waivers of notices of meetings of the Owners, the Board of Directors or any committee of the Board of Directors;

(h) A copy of the most current versions of the Articles of Incorporation, Declaration, these Bylaws, Rules and Regulations, and resolutions of the Board of Directors, along with their exhibits and schedules, any covenants, the minutes of all meetings of the Owners and records of all action taken by Owners without a meeting for the past three (3) years, all written communications within the past three (3) years to Owners generally as Owners, a list of the names and business or home addresses of the current members of the Board of Directors and of the officers, the Association's most recent annual report, if any, and all financial audits and reviews conducted pursuant to Section 38-33.3-303(4)(b) of the Act during the immediately preceding three (3) years;

(i) Such records as may be necessary to comply with the requirements of Section 303(9) of the Act; and

(j) Such other records as the Board of Directors may determine from time to time are necessary or desirable. In the event that the Act is amended to alter the records requirements currently set forth in this Section, these Bylaws may be modified accordingly by the Board.

Section 9.7 Roster. The Association shall annually compile a roster of the name and address of each of the Owners and Designated Representatives and the number of votes that each Unit is entitled to (the "Roster"); which may exclude the names and addresses of the Vacation Owners and their Designated Representatives. Subject to approval by the Board of Directors pursuant to Section 9.1, the Association shall provide a copy of the Roster to any Owner upon receipt of a written request from such Owner; provided that the names and addresses of other Owners on the Roster shall only be provided following a written request by an Owner, in a form reasonably acceptable to the Association, in compliance with the Governing Documents, the Act and applicable law. Each Owner who requests and receives a copy of the Roster thereby agrees that he or she will not make any commercial use of the Roster and will not sell to or permit the purchase of a copy of the Roster or any portion thereof by any other person.

ARTICLE 10. CORPORATE SEAL

The Association may have a seal or stamp in circular form having within its form the words: "Grand Colorado on Peak 8 Owners Association, Inc."

ARTICLE 11. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation. The Board of Directors may by amendment to the Bylaws establish a different fiscal year for the Association.

ARTICLE 12. RULES AND REGULATIONS

The Board of Directors shall have the right to establish, amend, and enforce, from time to time, such Rules and Regulations as the Board of Directors may deem necessary and appropriate for the management, preservation, safety, control, and orderly operation of the Project for the benefit of all Owners and Occupants, and for facilitating the greatest and most convenient availability and use of the Units and Common Elements by Owners and Occupants. Such Rules and Regulations may include (without limitation and subject to limitations in the Act and applicable law) a system of late charges and/or interest for untimely payment of Assessments, fees for review by the Association of matters required under the Declaration, and fees and fines for noncompliance with the Rules and Regulations and other obligations set forth in the Declaration and these Bylaws. The Board of Directors shall provide notice of the adoption or amendment of any Rules and Regulations and make such amended Rules and Regulations available for inspection by all Owners, Occupants, contract purchasers and Eligible First Mortgagees during convenient weekday business hours at the principal office of the Association. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Declaration, the Articles of Incorporation and these Bylaws, impose reasonable restrictions upon the use and occupancy of any portion of the Project as the Board of Directors, in its sole and absolute discretion, deems necessary and appropriate. Each Owner agrees that all such Owner's ownership rights shall be in all respects subject to the Rules and Regulations, and each Owner agrees to obey such Rules and Regulations as the same may lawfully be amended from time to time, and to ensure that the same are faithfully observed by Occupants of such Owner's Unit. Each Person who comes within the Project shall be subject to the Rules and Regulations for the duration of their presence therein. A copy of the Rules and Regulations, as amended from time to time, shall be made available to Owners, Occupants and contract purchasers upon request and payment of a reasonable fee.

ARTICLE 13. MEMBERSHIP RIGHTS AND PRIVILEGES

Section 13.1 Rights and Privileges of Members. No member shall have the right, without the prior approval of the Board of Directors, to exercise any of the powers or to perform any of the acts delegated to the Board of Directors by these Bylaws or the Declaration. Each member shall have all of the rights and privileges, including but not limited to property rights and easement rights of access over and use and enjoyment of the Common Elements, granted to the members by the Declaration, subject to such limitations as may be imposed in accordance therewith.

Section 13.2 Suspension of Rights. The Association shall have the right to suspend the rights and privileges of an Owner as a member of the Association for the period during which any

Assessment owed by such Owner remains unpaid and delinquent, all as further described in the Declaration.

ARTICLE 14. INTERPRETATION

The provisions of these Bylaws shall be liberally construed to effect the purpose of ensuring that the Project shall at all times be operated and maintained in a manner so as to optimize and maximize its enjoyment and utilization by each Owner and Occupant.