

**BYLAWS
OF
SIENA LAKE ASSOCIATION, INC.**

ARTICLE 1. INTRODUCTION AND PURPOSES

Section 1.1 Introduction. These Bylaws are adopted for the regulation, management and governance of Siena Lake Association, Inc. (the “**Association**”). The Association was organized as a Colorado nonprofit corporation to act as the community association under the Master Declaration of Covenants, Conditions and Restrictions for Siena Lake (the “**Declaration**”), with the purposes more fully set forth therein and in the Articles of Incorporation of Siena Lake Association, Inc. (the “**Articles**”).

Section 1.2 Definitions. Capitalized terms used herein shall have the meanings set forth in the Declaration unless expressly defined herein.

ARTICLE 2. MEMBERSHIP AND VOTING

Section 2.1 Membership. Any person who holds title to a Unit in the Community shall be a “Member” of the Association. There shall be one (1) membership for each Unit owned within the Community. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for membership.

Section 2.2 Transfer of Membership. A transfer of membership shall occur automatically upon the transfer of title to the Unit to which the membership pertains. Transfers of membership shall be made on the books of the Association upon presentation of evidence, satisfactory to the Association, of transfer of ownership of the Unit to which the membership is appurtenant.

Section 2.3 Member Voting.

- (a) Each Member shall be allocated votes pursuant to the Declaration.
- (b) Fractional and cumulative voting are prohibited.
- (c) If the ownership of a Unit is held by more than one person, and only one of them is present at a meeting of the Association, such individual is entitled to cast the vote allocated to that Unit. If more than one of the multiple co-owners are present, the vote allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the co-owners of that Unit. Majority agreement exists if any one of the multiple co-owners of the Unit casts the vote allocated to that Unit without protest

being made promptly to the person presiding over the meeting by any of the other co-owners of the Unit. In the event of disagreement between or among the multiple co-owners of a Unit and an attempt by two or more of them to cast the vote allocated to the Unit, such vote or votes shall not be counted.

(d) If a Unit is owned by a corporation, the vote allocated to that Unit may be cast by any officer of that corporation in the absence of express notice from that corporation of the designation of a specific person authorized to cast such vote.

(e) If a Unit is owned by a partnership, the vote allocated to that Unit may be cast by any general partner of that partnership in the absence of express notice from the partnership of the designation of a specific person authorized to cast such vote.

(f) If a Unit is owned by a limited liability company, the vote allocated to that Unit may be cast by any member or manager of that limited liability company in the absence of express notice from the limited liability company of the designation of a specific person authorized to cast such vote.

(g) If a Unit is owned by a trust, the vote allocated to that Unit may be cast by the trustee in the absence of express notice from the trustee of the designation of a specific person authorized to cast such vote.

(h) The chair of any meeting of the Members may require reasonable evidence that a person voting on behalf of a corporation, partnership, limited liability company or trust is qualified to vote on behalf of such entity.

Section 2.4 Resolution of Voting Disputes. In the event of any dispute as to the entitlement of any Member to vote or as to the results of any vote of the Members, the Board of Directors of the Association shall act as arbitrators and the decision of a disinterested majority of the Board of Directors shall be final and binding.

Section 2.5 Suspension of Voting Rights. During any period in which an Owner shall be in default in the payment of any Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association, such Owner's voting rights shall be deemed suspended by the Board of Directors, without notice or a hearing, until the Assessment has been paid in full to the Association. The voting rights of an Owner may also be suspended for a period not to exceed

sixty (60) days or during any period of violation, whichever is greater, for the violation of any other provision of the Governing Documents other than the non-payment of Assessments.

ARTICLE 3. MEETINGS OF MEMBERS

Section 3.1 Annual Meetings. An annual meeting of the Members at large shall be held during each calendar year, on such date and at such time as determined by the Board of Directors. Annual meetings of each Subassociation Class shall also be held during each calendar year, as needed, on such date and at such time as determined by the Board of Directors. Directors shall be elected at the annual meetings of the Members at large and the Subassociation Classes, as more fully provided in these Bylaws, and the Members may transact such other business as may properly come before them at any such annual meeting. The failure to hold any annual meeting shall not constitute a forfeiture or dissolution of the Association.

Section 3.2 Special Meetings. Special meetings of the Members at large may be called by the President of the Association, by a majority of the Board of Directors or by Members holding twenty percent (20%) of the votes in the Association. Special meetings of any Subassociation Class may be called by the President of the Association, by a majority of the Board of Directors or by Members of the Subassociation Class holding twenty percent (20%) of the votes in the Subassociation Class. The form of notice, date, time and place of any special meeting shall be determined by the Board of Directors. However, if notice of a special meeting demanded by the Members at large or by the Members of a Subassociation Class as set forth above is not given by the Secretary of the Association within thirty (30) days after the date the written demand is delivered to the Association by the Members demanding the special meeting, any Member who signed the demand may set the date, time and place of the special meeting and cause notice of the special meeting to be given pursuant to the notice requirements set forth herein. No business shall be conducted at any special meeting of the Members except as indicated in the notice of such meeting.

Section 3.3 Budget Meetings. Meetings to consider proposed budgets of the Association, including any budgets for any Special Assessment to be imposed by the Association, shall be held in accordance with the following:

(a) For each fiscal year, the Board of Directors of the Association shall prepare and approve a proposed budget at least annually.

(b) Within ninety (90) days after the adoption of any proposed budget for the Association, the Board of Directors shall mail, by ordinary first class mail, or otherwise deliver, including posting on the Association's website, a summary of the budget to all

Members and shall set a date for a meeting of the Members to consider the proposed budget.

(c) Such meeting shall occur within a reasonable time after mailing or other delivery of the summary of the budget, and notice for the meeting must be given in accordance with these Bylaws.

(d) At the meeting, whether or not a quorum is present, the proposed budget will be deemed approved by the Owners unless Owners holding **the number** of the votes in the Association **required to reject a budget, as set forth in the Declaration**, vote to reject the proposed budget.

(e) Notwithstanding anything herein to the contrary, a quorum is not required at the meeting if the meeting is held only for the purpose of considering a proposed budget. If other business is to be transacted at the meeting, the quorum requirement for Member meetings set forth herein must be met for the transaction of any other such business, but not for the consideration of the proposed budget.

Section 3.4 Place of Meetings. Meetings of the Members at large or of any Subassociation Class shall be held at the principal office of the Association or at such other suitable place within the State of Colorado convenient to the Members as may be designated by the Board of Directors and as specified in the notice of the meeting.

Section 3.5 Notice of Meetings. Written notice of any meeting of the Members at large or any meeting of a Subassociation Class shall be given by, or at the direction of, the Secretary or person authorized to call such meeting by mailing a copy of the notice, postage prepaid, or by personal delivery, at least ten (10) but not more than fifty (50) days before the meeting to each Member, or to each member of the Subassociation Class, as applicable, addressed to the Member's address last appearing on the books of the Association, or to the address supplied by such Member to the Association for the purpose of notice. Further, in addition to providing notice via mail or personal delivery as provided herein, if electronic means are available, the Association shall provide notice of all meetings of the Members at large and all meetings of any Subassociation Class by electronic mail to those Members who so request and who furnish the Association with their electronic mail addresses. Any such e-mail notice shall be given at least twenty-four (24) hours prior to the meeting. Every notice shall specify the place, day and hour of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration, Bylaws or Articles of Incorporation, any budget

changes, and any proposal to remove a member of the Board of Directors. In the case of a special meeting, the notice must also include the purpose of the meeting.

Section 3.6 Waiver of Notice. Any Member may, at any time, waive objection to any deficiencies in the notice of any meeting in writing. Attendance at any meeting by a Member shall constitute a waiver of that Member's right to object to the notice of the meeting unless attendance is for the express purpose of objecting to the sufficiency of the notice, in which case, such objection must be raised before the business of which proper notice was not given is put to a vote.

Section 3.7 Quorum of Members. Unless otherwise provided in the Articles, the Declaration or these Bylaws, the presence at any meeting, either in person or by proxy, of Members entitled to cast at least twenty percent (20%) of the total votes in the Association shall constitute a quorum at any meeting of the Members at large. For any meeting of any particular Subassociation Class, the presence at any such meeting, either in person or by proxy, of the number of Members required to be present to establish a quorum pursuant to the bylaws of the applicable Subassociation shall constitute a quorum at a meeting of that Subassociation Class. Members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of Members so as to leave less than a quorum. If the required quorum is not present, the Members who are present, either in person or by proxy, shall have the power to adjourn the meeting from time to time to a later date, subject to the notice and other requirements of these Bylaws, until such time as a quorum shall be present. If adjourned, the quorum requirement for the newly convened meeting shall be one-half of the quorum requirement of the previously called meeting.

Section 3.8 Proxies for Member Meetings. A Member entitled to vote may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary or designee of the Association. If a Unit is owned by more than one person, each co-owner may vote or register protest to the casting of votes by the other co-owners of the Unit through a duly executed proxy. A Member may revoke a proxy by giving written notice of revocation to the person presiding over the meeting or by attending the meeting in person and giving the person presiding actual notice of revocation of the proxy. A proxy is void if it is not dated. A proxy terminates eleven months after the date of the proxy, unless otherwise provided on the proxy form. A proxy automatically terminates upon the sale of the Unit for which the proxy was issued.

Section 3.9 Vote Required at Members Meetings. At any meeting of the Members at large or any meeting of a Subassociation Class at which a quorum is present, the affirmative vote

of the Members entitled to cast a majority of the votes present and voting, either in person or by proxy, are necessary to adopt the matter, unless a different percentage is required by law or by the Articles, the Declaration or these Bylaws, in which case the different requirement controls. In an election of directors, that number of candidates equaling the number of directors to be elected, having the highest number of votes are elected to the Board of Directors. Cumulative voting shall not be permitted.

Section 3.10 Voting Procedures. Secret ballots must be used as required by law. All other voting may be by voice, by show of hands, by consent, by proxy, by written ballot, or as otherwise determined by the Board of Directors prior to the meeting or by a majority of the Members present at the meeting.

Section 3.11 Action by Written Ballot. Any action that may be taken at any meeting of the Members or at a meeting of a Subassociation Class may be taken without a meeting in accordance with this Section. In conducting any vote via action by written ballot as provided herein, the Secretary shall mail or deliver to all Members at large or all Members of the Subassociation Class, as applicable, at each Member's address as is appears in the records of the Association given for notice purposes the following:

- (a) A written ballot which shall state each proposed action to be voted upon and which shall provide an opportunity to vote for or against each proposed action;
- (b) A notice or statement which shall:
 - (i) Indicate the number of ballots which must be returned to meet the quorum requirements as if the vote were being taken at a meeting of the Members at large or at a meeting of the Subassociation Class, as applicable;
 - (ii) State the percentage of approvals necessary to approve each proposed action, other than the election of directors; and
 - (iii) State the date and time by which the ballot must be received by the Association in order to be counted; and
- (c) Written information sufficient to permit each Member casting a ballot to reach an informed decision on each proposed action.

Approval by written ballot pursuant to this Section shall be valid only when votes cast by ballot equal or exceed the quorum required to be present in person or by proxy at a meeting authorizing such action, and the number of approvals equals or exceeds the number of votes that would have been required to approve the matter at a meeting of the Members or the Subassociation Class, as applicable, at which the total number of votes cast was the same as the number of votes by ballot. After delivery to the Association, a written ballot cast pursuant to this Section cannot be revoked.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.1 Number. The affairs of the Association shall be governed by a Board of Directors which shall consist of three (3) members during the Period of Declarant Control, and thereafter seven (7) members, elected or appointed as provided herein. In the case where, through removal or resignation, the total number of directors is less than seven (7), the Board will be considered properly constituted until such vacancies are filled.

Section 4.2 Qualifications.

(a) Except for directors appointed by the Declarant in accordance with the Declaration, only one Owner per Unit, eligible to vote, current in the payment of Assessments, and otherwise in good standing, may be elected or appointed to fill a vacancy on the Board of Directors.

(b) If a Unit is owned by a corporation, any officer of that corporation shall be eligible to serve as a director and shall be deemed to be a Member for purposes of these Bylaws.

(c) If a Unit is owned by a partnership, any general partner of that partnership shall be eligible to serve as a director and shall be a Member for purposes of these Bylaws.

(d) If a Unit is owned by a limited liability company, any member or manager of that limited liability company shall be eligible to serve as a director and shall be a Member for purposes of these Bylaws.

(e) If a Unit is owned by a trust, the trustee of that trust shall be eligible to serve as a director and shall be a Member for purposes of these Bylaws.

(f) Any Member who is more than sixty (60) days delinquent in the payment of Assessments shall not be qualified to serve on the Board of Directors.

(g) Any director who has unexcused absences from three consecutive Board meetings shall not be qualified to serve on the Board of Directors. An absence will be excused if the absent director notifies the President (or the Vice President in the event of an absence of the President) of the planned absence and the reason for the absence at least three (3) days before the meeting, or as reasonably close to the meeting as possible in the event of an emergency, and a majority of the remaining directors approve the absence as being for a valid purpose.

(h) Any Member who is in violation of any provision of the Governing Documents other than the non-payment of Assessment for more than thirty (30) days shall not be qualified to serve on the Board of Directors.

(i) Any Member who maintains an adversarial proceeding of any type against the Association shall not be qualified to serve on the Board of Directors for the duration of the proceeding.

(j) If a director is not qualified to serve on the Board of Directors, the director's position shall be deemed vacant.

Section 4.3 Term of Office of Directors. The term of office of the directors shall be three years or until a successor is elected. The terms of directors shall be staggered.

Section 4.4 Election and Appointment of Directors.

(a) Except as otherwise provided in this Section, during the Period of Declarant Control, the Declarant may appoint all members of the Board of Directors and officers of the Association and may remove all such members of the Board of Directors and officers of the Association appointed by it. Notwithstanding, no later than sixty (60) days after conveyance of twenty-five percent (25%) of the Units That May Be Included to Owners other than the Declarant, at least one (1) member and not less than twenty-five percent (25%) of the members of the Board of Directors must be elected by Owners other than Declarant, which election shall be voted upon by the Owners at a meeting of the Members at large. Not later than sixty (60) days after conveyance of fifty percent (50%)

of the Units That May Be Included to Owners other than Declarant, not less 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 the Declarant, which election shall be voted upon by the Owners at a meeting of the Members at large.

(b) Upon the termination of the Period of Declarant Control, the terms of the directors appointed by the Declarant and the directors elected by the Owners as set forth in Section 4.4(a) above shall terminate. The Owners shall then elect a Board of Directors of seven (7) directors, at least a majority of whom must be Members other than the Declarant or representatives of the Declarant. For purposes of electing directors, there shall be one voting class for each Subassociation Class. Each Subassociation Class shall be entitled to elect one (1) member of the Board of Directors. Upon the termination of the Period of Declarant Control, the Association shall call a meeting of each Subassociation Class in accordance with these Bylaws, at which meetings each Subassociation Class shall elect one member of the Board of Directors. The terms of the directors initially elected upon the termination of the Period of Declarant Control shall be staggered such that three (3) directors shall be elected for a three (3) year term, two (2) directors shall be elected for a two (2) year term, and two (2) directors shall be elected for a one (1) year term. The determination of which Subassociation is to elect which director for which term shall be made in the sole discretion of the Board of Directors. Upon the expiration of such initial terms, for each Subassociation Class whose director's term is expiring in any given year, the Association shall call an annual or special meeting of the Members of such Subassociation Class, as provided in these Bylaws, for the purpose of electing a successor director. After the initial terms as provided above, all directors shall be elected for terms of three (3) years. If the number of Subassociations is less than seven (7) at any time, the balance of the remaining directors to be elected, if any, shall be elected by the Members at large, with proper staggering being maintained.

Section 4.5 Resignation of Directors. Any director may resign at any time by giving written notice to the President, to the Secretary or to the Board of Directors stating the effective date of the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

Section 4.6 Removal of Directors. A director elected by the Members at large may be removed at a meeting of Members at large called pursuant to these Bylaws, with or without cause, by a vote of at least two-thirds (2/3) of the Members present and entitled to vote at a such meeting at which a quorum is present. A director elected by a Subassociation Class may be

removed at a meeting of the Members of that Subassociation Class called pursuant to these Bylaws, with or without cause, by a vote of at least two-third (2/3) of the Members of that Subassociation Class present and entitled to vote at such meeting at which a quorum is present. Notice of a meeting of the Members at large or a meeting of a Subassociation Class to remove a director shall set forth that the meeting is being conducted for that purpose and shall be provided to every Member of the Association or every Member of the Subassociation Class, as applicable, including the director sought to be removed, as provided in these Bylaws. Directors sought to be removed shall have the right to be present at such meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken. In the event of removal of a director, a successor shall be elected by the Members at large or the Members of the Subassociation Class, as applicable, at the meeting to serve for the unexpired term of his or her predecessor.

Section 4.7 Vacancies. Vacancies on the Board of Directors caused by any reason (other than removal) may be filled by appointment by a majority vote of the remaining directors at any time after the occurrence of the vacancy, even though the directors present at that meeting may constitute less than a quorum. Each person so appointed shall be a director who shall serve for the remainder of the unexpired term.

Section 4.8 Compensation. No director shall receive compensation for any service the director may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties.

ARTICLE 5. MEETINGS OF DIRECTORS

Section 5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, place and hour as may be fixed by the Board of Directors. The Board of Directors may set a schedule of regular meetings by resolution, and no further notice is necessary to constitute such scheduled regular meetings.

Section 5.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 5.3 Notice of Board Meetings. Notice of any special meeting of the Board of Directors shall be given by, or at the direction of, the Secretary, by written notice delivered personally or sent by mail, email or facsimile to each director at his or her address as shown on

the records of the Association, by telephone, or as otherwise permitted by law. If a notice for a special meeting demanded pursuant to Section 5.2 is not given by the Secretary within thirty (30) days after the date the written demand or demands are delivered to the Board of Directors, the directors signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the above terms of this Section. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 5.4 Location of Meetings and Open Meetings.

(a) All meetings of the Board of Directors shall be open to attendance by Members, as provided by applicable Colorado law.

(b) All meetings of the Board of Directors shall be held in the Community, by conference call, by electronic means or in Eagle County, Colorado, unless all directors consent in writing to another location.

(c) The Board of Directors shall make agendas for Board meetings reasonably available for examination by Members in advance of the meeting. If there is no formal agenda, Members are nonetheless entitled to a general description of the purpose of the meeting and the subject matter that will be discussed.

(d) The Board of Directors shall inform Members, at least annually, of the method by which meeting agendas and other information required by subsection (c) above will be provided, including the physical location of places where agendas and meeting notices may be posted or the web address where on-line postings may be made.

(e) The Board of Directors may hold an executive or closed door session and may restrict attendance to directors and such other persons requested by the Board of Directors during a regular or specially announced meeting or a part thereof. Matters for discussion at an executive session are limited to:

(i) Matters pertaining to employees of the Association or the managing agent's contract, or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the Association;

(ii) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between the Association and its legal counsel;

(iii) Investigative proceedings concerning possible or actual criminal misconduct;

(iv) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;

(v) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy; and

(vi) Review of or discussion relating to any written or oral communication from legal counsel.

(f) Rules and Regulations may be adopted in open meetings of the Board of Directors, and may not be adopted in closed or executive sessions of the Board of Directors.

Section 5.5 Waiver of Notice. Any director may waive notice of any meeting in writing, signed by the director. Attendance by a director at any meeting of the Board of Directors shall constitute a waiver of notice, except when the director attends for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. If all the directors are present at any meeting, no notice shall be required, and any business may be transacted at the meeting.

Section 5.6 Quorum. At all meetings of the Board of Directors a majority of the directors in office shall constitute a quorum for the transaction of business. The votes of a majority of the directors present at a meeting at which a quorum is present shall constitute a decision of the Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 5.7 Proxies for Board Meetings. For the purposes of determining a quorum with respect to a particular matter and for the purposes of casting a vote for or against that matter, a director may execute, in writing, a proxy to be held by another director. The proxy

shall specify a yes, no, or abstain vote on each particular matter for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.

Section 5.8 Consent to Corporate Action.

(a) The Board of Directors shall have the right to take any action, except the adopting of a rule or regulation, in the absence of a meeting, which it could otherwise have taken at a meeting if notice is transmitted in writing (which may be via e-mail) to each director and each director, by the time stated in the notice:

(i) Votes in writing for such action; or

(ii) Votes in writing against such action, abstains in writing from voting, or fails to respond, and fails to demand that the action not be taken without a meeting.

(b) The notice required by subsection 5.8(a) above shall state:

(i) The action to be taken;

(ii) The time by which the directors must respond;

(iii) That failure to respond by the time stated in the notice will have the same effect as abstaining in writing by the time stated in the notice and failing to demand in writing by the time stated in the notice that action not be taken without a meeting; and

(iv) Any other matters the Association determines to include.

(c) Action is taken and valid under this section only if, at the end of the time stated in the notice transmitted pursuant to subsection 5.8(a) above:

(i) The affirmative votes in writing for such action received by the Association and not revoked pursuant to subsection 5.8(e) below equal or exceed the minimum number of votes that would be necessary to take such action at a meeting at which all of the directors then in office were present and voted; and

(ii) The Association has not received a written demand by a director that such action not be taken without a meeting other than a demand that has been revoked pursuant to subsection 5.8(e) below.

(d) A director's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Association receives such demand from the director in writing by the time stated in the notice transmitted pursuant to subsection (a) above and such demand has not been revoked pursuant to subsection (e) below.

(e) Any director who in writing has voted, abstained or demanded action not be taken without a meeting pursuant to this section may revoke such vote, abstention, or demand in writing received by the Association by the time stated in the notice transmitted pursuant to subsection 5.8(a) above.

(f) Action taken pursuant to this section has the same effect as action taken at a meeting of the Board of Directors.

(g) All writings made pursuant to this section shall be filed with the minutes of the meetings of the Board of Directors.

Section 5.9 Telephone or Electronic Communication in Lieu of Attendance. A director may attend a meeting of the Board of Directors by using an electronic or telephonic communication method whereby the director may be heard by the other directors and may hear the deliberations of the other directors on any matter properly brought before the Board of Directors. A director participating in a meeting by this means is deemed to be present in person at the meeting, and the director's vote shall be counted as if that director were present in person.

Section 5.10 Unit Owner Participation. Owners or their designated representatives must be allowed to speak before the Board of Directors votes on any issue under discussion. The Board of Directors shall allow a reasonable number of persons to speak on each side of the issue, but the Board of Directors may place reasonable restrictions on the time allowed for each Owner to speak. Owners may also be allowed to speak at such other times as the Board, in its sole discretion, deems appropriate.

ARTICLE 6. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 6.1 Powers and Duties. The Board of Directors may act in all instances on behalf of the Association, except as provided in the Governing Documents, the Act, as applicable, or the Nonprofit Act. The Board of Directors shall have, subject to the limitations contained in the Declaration, the Act, and the Nonprofit Act, the powers and duties necessary for the administration of the affairs of the Association and of the Community, and for the operation and maintenance of the Community as a first class community, including the following powers and duties:

(a) Exercise any other powers conferred by the Governing Documents and/or Colorado law;

(b) Adopt and amend Rules and Regulations, including responsible governance policies, procedures and rules and regulations, and including penalties for infraction thereof;

(c) Adopt and amend budgets (subject to any requirements of the Declaration and these Bylaws) for revenues, expenditures, and reserves;

(d) Keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;

(e) Collect Assessments as provided by the Governing Documents;

(f) Employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;

(g) Institute, defend or intervene in litigation or administrative proceedings in the Association's name on its behalf, including seeking injunctive relief for violations of the Governing Documents;

(h) Provide Association disclosures required by, and pursuant to, Colorado law;

(i) Make contracts, administer financial accounts and incur liabilities in the name of the Association;

(j) Regulate the use, maintenance, repair, replacement, and modification of the Common Area;

(k) Cause additional improvements to be made as part of the Common Area;

(l) Acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real estate, pursuant to the consent requirements set forth in the Governing Documents, if any;

(m) Grant easements, leases, licenses, and concessions through or over the Common Area, pursuant to the consent requirements set forth in the Governing Documents, if any;

(n) Borrow funds and secure loans with an interest in future Assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary and give security therefore, subject to the requirements set forth in the Governing Documents, if any;

(o) Provide for the indemnification of the Association's directors and any person serving without compensation at the request of the Association, and maintain association professional liability insurance;

(p) Supervise all persons acting on behalf of and/or at the discretion of the Association;

(q) Procure and maintain liability and hazard insurance as set forth in the Governing Documents;

(r) Cause all persons having fiscal responsibilities for the assets of the Association to be insured and/or bonded, as it may deem appropriate; and

(s) Exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents, the Act or the Nonprofit Act.

Section 6.2 Managing Agents. The Board of Directors may employ managing agents or other designated employees or representatives for the Association, at a compensation established by the Board of Directors, to perform duties and services authorized by the Board of Directors. The Board of Directors shall have the authority to delegate any of the powers and duties set forth in this Article to a managing agent or other designated employee or representative. Regardless of any delegation, the members of the Board of Directors shall not be relieved of responsibilities under the Governing Documents or Colorado law. In the event that the Board of Directors delegates its powers related to collection, deposit, transfer, or disbursement of Association funds to a managing agent or other persons, the managing agent or such other persons shall maintain fidelity insurance coverage or a bond in such amount as the Board of Directors may require. Such managing agent or other persons shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by such managing agent or other persons and shall maintain all reserve accounts of each association so managed separate from operational accounts of the Association.

Section 6.3 No Waiver. The omission or failure of the Association or an Owner to enforce the covenants, conditions, easements, uses, limitations, obligations, or other provisions of the Governing Documents shall not constitute or be deemed a waiver, modification, or release thereof, and the Board of Directors or the managing agent shall have the right to enforce the same at any time.

ARTICLE 7. OFFICERS AND THEIR DUTIES

Section 7.1 Enumeration of Offices. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, who shall all be required to be directors, and such other officers as the Board of Directors may from time to time create by resolution. Any two offices, except the offices of President and Secretary, may be held by the same person.

Section 7.2 Election of Officers. The officers shall be elected by the Board of Directors for one (1) year terms at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 7.3 Special Appointments. The Board of Directors may elect other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such qualifications and authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 7.4 Resignation and Removal. Any officer may be removed from office with or without cause by a majority of the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors. A resignation shall take effect on the date of receipt of a notice or at any later time specified therein. Acceptance of a resignation shall not be necessary to make it effective.

Section 7.5 Vacancies. A vacancy in any office may be filled by appointment by majority vote of the Board of Directors. The officer appointed to the vacancy shall serve for the remainder of the term of the officer replaced.

Section 7.6 Duties. The duties of the officers are as follows:

(a) *President*. The President shall have all of the general powers and duties which are incident to the office of President of a Colorado nonprofit corporation. Specifically, the President shall have the power to preside at all meetings of the Board of Directors and of the Members; see that orders and resolutions of the Board are carried out; sign contracts, leases and other written instruments, including executing and recording amendments to the Declaration on behalf of the Association; direct, supervise, coordinate and have general control over the day-to-day affairs of the Association.

(b) *Vice President*. The Vice President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other director to act in the place of the President on an interim basis. The Vice President shall also perform other duties imposed by the Board of Directors or by the President.

(c) *Secretary*. The Secretary shall maintain the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep a record of votes taken; serve notice of meetings of the Board of Directors and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; cause the Association records to be kept and maintained; and perform such other duties incident to the office of Secretary or as required by the Board of Directors.

(d) *Treasurer*. The treasurer shall be responsible for the receipt, deposit and disbursement of the Association funds and securities and for maintenance of full and accurate financial records; shall prepare an annual budget and a statement of income and

expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board of Directors.

Section 7.7 Delegation. The duties of any officer may be delegated; provided, however, the officer shall not be relieved of any responsibility under this Section or under Colorado law.

ARTICLE 8. COMMITTEES

Section 8.1 Designated Committees. The Association may appoint such committees and committee members as deemed appropriate in carrying out its purposes. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board of Directors. The Board of Directors shall also have the power to remove any and all committee members with or without cause and to terminate any such committee.

Section 8.2 Open Committee Meetings. All committee meetings shall be open to attendance by Members, as provided by applicable law.

ARTICLE 9. BOOKS AND RECORDS

Section 9.1 Association Records. The Association or its managing agent, if any, shall keep the records of the Association in accordance with Colorado law.

Section 9.2 Minutes and Presumptions Under the Minutes. Minutes or any similar record of the meetings of Members or of the Board of Directors, when signed by the Secretary or acting Secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 9.3 Examination. The books, records and papers of the Association shall at all times, during normal business hours, be subject to inspection and copying by any Member, at his or her expense, to the extent provided by Colorado law. The Association may charge reasonable costs for copying of the records.

ARTICLE 10. AMENDMENTS

Section 10.1 Bylaw Amendments.

(a) These Bylaws may be amended by:

(i) The affirmative vote of a majority of the members of the Board of Directors at a duly constituted meeting; provided, however, no amendment shall be made to the quorum requirement set forth in these Bylaws, and no amendment to the qualifications, powers and duties or terms of directors may be made without the affirmative vote of a majority of the Members present, in person or by proxy, at a regular or special meeting of the Members at which a quorum, as set forth in these Bylaws, is present; or

(ii) The affirmative vote of Members holding a majority of a quorum of the votes in the Association voting in person or by proxy at a regular or special meeting of the Association called for such purpose, provided that notice has been sent to all Members pursuant to these Bylaws, and such notice sets forth that the meeting is being conducted for the purpose of amendment.

(b) Notwithstanding anything to the contrary set forth in these Bylaws, these Bylaws may be amended by the Board of Directors, without Member approval, to comply with any statutory or judicial requirements.

ARTICLE 11. INDEMNIFICATION

Section 11.1 Obligation to Indemnify.

(a) The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative; by reason of the fact that the person is or was a director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity; and provided that the person:

(i) Acted in good faith, and;

(ii) In a manner that the person reasonably believed to be in the best interests of the Association, and;

(iii) With respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The termination 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 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 the conduct was unlawful.

(b) Notwithstanding anything in subsection (a) above, unless a court of competent jurisdiction determines that, in view of all circumstances of the case, the person is fairly and reasonably entitled to expenses, no indemnification shall be made:

(i) In connection with a proceeding by or in the right of the Association, where the person has been adjudged to be liable to the Association;
or

(ii) In connection with any other proceeding charging that the person received an improper personal benefit, whether or not involving action in an official capacity, the person has been adjudged liable on the basis the person received an improper personal benefit.

(c) To the extent that the person has been wholly successful on the merits in defense of any action, suit or proceeding as described above, the person shall be indemnified against actual and reasonable expenses (including expert witness fees, attorney fees and costs) incurred in connection with the action, suit or proceeding.

Section 11.2 Determination Required.

(a) The Board of Directors shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of those members of the Board of Directors who were not parties to the action suit or proceeding.

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board of Directors so directs, a determination may be made, at the discretion of the Board of Directors, by:

(i) Independent legal counsel selected by a majority of the full Board of Directors; or

(ii) By the Members, but Members who are also at the same time seeking indemnification may not vote on the determination.

Section 11.3 Payment in Advance of Final Disposition. The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Directors with:

(a) A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;

(b) A written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 11.4 No Limitation of Rights. The indemnification provided in this Article 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, as those statutes may be amended from time to time.

Section 11.5 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board of Directors, covering defense and liability expenses arising out of any action, suit or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board of Directors, whether or not the Association would have the power to indemnify the person against liability under provisions of this Article.

ARTICLE 12. MISCELLANEOUS

Section 12.1 Fiscal Year. The Board of Directors has the right to establish and, from time to time, change the fiscal year of the Association.

Section 12.2 Notices. All notices to the Association or the Board of Directors shall be delivered to the office of the managing agent, or, if there is no managing agent, to the office of the Association, or to such other address as the Board of Directors may designate by written notice to all Owners. Except as otherwise provided, all notices to any Owner shall be mailed to the Owner's address as it appears in the records of the Association. All notices shall be deemed to have been given when mailed or transmitted, except notices of changes of address, which shall be deemed to have been given when received.

Section 12.3 Conflicts. In the case of any conflicts between the Declaration and these Bylaws or the Articles of Incorporation, the terms of the Declaration shall control. In the case of any conflicts between the Articles of Incorporation and these Bylaws, the terms of the Articles of Incorporation shall control.

Section 12.4 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

CERTIFICATION OF ADOPTION

I, _____, as Secretary of Siena Lake Association, Inc., certify that these Bylaws of Siena Lake Association, Inc. were duly adopted by the Board of Directors of Siena Lake Association, Inc. on _____, 20____.

By: _____

Name: _____

Title: Secretary