

**AMENDED AND RESTATED BYLAWS
OF
SUNSHINE CONDOMINIUMS ASSOCIATION,
a Colorado nonprofit corporation**

**ARTICLE I
Purpose**

1.1 Name. The name of the corporation is Sunshine Condominiums Association (the "Association"), a Colorado nonprofit corporation formed October 14, 1980 by filing the Articles of Incorporation with the Colorado Secretary of State.

1.2 Purpose and Objective. The purpose for which this nonprofit corporation is formed is to govern Sunshine Condominiums, a common interest community, located in Gunnison, Colorado in accordance with the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101, *et seq.*, Colorado Common Interest Community Act, C.R.S. § 38-33.3-101, *et seq.*, as applicable, and the terms and conditions of the Articles of Incorporation, Bylaws and Condominium Declaration for Sunshine Condominiums and the First Supplement to Condominium Declaration for Sunshine Condominiums (collectively Declaration), as each may be amended from time to time.

1.3 Compliance with Bylaws. All present or future Owners, tenants or future tenants, or any other person who may use the facilities of Sunshine Condominiums are subject to these Amended and Restated Bylaws (Bylaws). The mere acquisition or rental of any condominium unit or the mere act of occupancy thereof shall signify that these Bylaws are accepted, ratified and will be complied with.

1.4 Registered Office and Agent. The Association shall maintain a registered office and registered agent within the State of Colorado. The registered office need not be the same as the principal office of the Association. The registered office and agent may be changed by the Association at any time.

**ARTICLE II
Membership**

2.1 Automatic Membership. The owner (Owner) of a condominium unit shall upon becoming such Owner be entitled and required to be a member of the Association and shall remain a member (Member) for the period of his or her ownership. Such membership shall be appurtenant to the condominium unit.

2.2 Voting. Each membership shall be entitled to one vote, which vote shall be weighed in accordance with the undivided fractional interest in the general common elements for each condominium unit as set forth in the Declaration. In the event there are multiple Owners of a condominium unit, the vote must be cast as only a single vote.

2.2.1 Voting Rights. Members shall be entitled to vote on matters as provided for in the Declaration, Bylaws, Articles of Incorporation, or pursuant to law so long as such Members are in good standing with the Association.

2.3 Transfer. No person other than an Owner of a condominium unit may be a Member of the Association. Membership shall transfer automatically by a conveyance of that

condominium unit to any new Owner. Such membership may not be assigned to the holder of a deed of trust or mortgage as further security for the loan secured by the lien of the mortgage holder upon the condominium unit.

2.4 Person. The term "person" for the purpose of membership shall include a corporation, partnership, limited liability company, trust, joint venture or other legal entity that has valid title to a condominium. Any officer, manager, manager, shareholder, member, partner or trustee of any such entity may exercise the membership rights of the entity, such as voting, and shall further be entitled to serve on the Board of Managers (Board) and as an officer of the Association.

2.5 Termination. Such membership shall terminate without any formal action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such Owner from any liability or obligation incurred under or in any way connected with the Association during the period of such ownership and membership in the Association, or impair any such remedies which the Association or others may have against such former Owner or Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

ARTICLE III **Member Meetings**

3.1 Annual Meeting of the Members. The annual meeting of the Members shall be held September on a date, time and at a location, or on another date, time and at a location set forth in the notice of said meeting, as determined by the Board of Managers. At the annual meeting, the Members shall elect the Board, as necessary, and transact such other business as may properly come before them. Members may attend meetings by telephone, by electronic or internet means, or in person. A person attending by phone, electronic, or internet means is deemed to be present in person at a meeting.

3.2 Special Meetings of the Members. Special meetings of the Members may be called at any time by a majority of the Board, the President, or by the Members having twenty percent (20%) or more of the aggregate votes in the Association.

3.3 Budget Meetings. Meetings of Members to consider proposed annual budgets shall be called in accordance with law. The budget may be considered at the annual meeting of the Members or a special meeting of the Members called for that purpose or other purposes as well. Within 90 days after the adoption by the Board of a proposed budget, the Board shall mail by ordinary first-class mail, or otherwise deliver, such as by electronic means, to all owners, a summary of the budget and shall set a date for a meeting for the Members to consider the budget with notice delivered pursuant to Section 3.4 below. Unless the Declaration, as the same may be amended from time to time, requires otherwise, the budget proposed by the Board does not require approval from the Members and it will be deemed approved or ratified by the Members in the absence of a veto at the noticed meeting by a majority of all members, whether or not a quorum is present. In the event a proposed budget is vetoed, the budget last proposed by the Board and not vetoed by the Members must be continued until a subsequent budget proposed by the Board is not vetoed by the Members. The budget shall be based upon the estimated common expenses of the Association for each fiscal year.

3.4 Notice. Written notice of each meeting of the Members shall be given not less than ten (10) days nor more than fifty (50) days in advance of any meeting of the Members. The Secretary, or such other designated agent, shall cause notice to be hand delivered or sent by prepaid United States mail to the mailing address of each Member, or emailed, or to any other address specified in writing by the Member. The notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendments to these Bylaws or the Declaration, any budget changes, and any proposal to remove an officer or manager of the Board. In the case of a special meeting, the notice shall specify the reason for the special meeting. A Member may waive notice of any meeting. Such waiver shall be in writing and signed by the Member waiving said notice. Materials to be considered at any Member meeting shall be delivered to the Members at least ten (10) days prior to the meeting, or made available on the Association's website for review. Materials for a meeting may be amended prior to any Member meeting, which amendments shall be communicated to Members as needed.

3.5 Quorum. The presence of Members in person or by proxy of Association Members constituting a majority of the votes in good standing of the Association shall constitute a quorum for the purpose of transacting business, unless otherwise required or by these Bylaws, the Declaration or pursuant to law.

3.6 Manner of Acting. If a quorum is present, a majority vote of the Members present at such meeting in person or by proxy and entitled to vote on the subject matter shall be the act of the membership, except as otherwise required by the Articles of Incorporation, the Declaration, or by law. Cumulative voting is not permitted. Members shall vote their allocated interest in accordance with the Declaration.

3.7 Action by Written Ballot. Any action that may be taken at any annual, regular, or special meeting of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter. A written ballot shall state each proposed action and provide an opportunity to vote for or against such action. Approval by written ballot shall only be valid when the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by the ballot. All solicitations for votes by written ballot shall indicate the number of responses needed to meet the quorum requirements, state the percentage necessary to approve each matter, other than the election of managers to the Board, state the date and time by which the ballots must be received in order to be counted, and be accompanied by written information sufficient to permit each person casting such ballot to reach an informed decision on the matter. Revocation of ballots shall be in accordance with law. Action taken by written ballot has the same effect as action taken at a meeting of the Members and may be described as such in any document.

3.8 Agendas. Agendas for annual meetings and special meetings shall be made available to all Members or their representatives for examination prior to the meeting.

3.9 Speaking. At an appropriate time determined by the Board, but prior to its action on any issue under discussion, Members or their designated representatives shall be permitted to speak regarding an issue. The President of the Board may place reasonable time restrictions on persons speaking during the meeting. If more than one person wishes to address an issue and there are opposing views, the President shall provide for a reasonable number of persons

to speak on each side of the issue. Speaking shall also be governed by any policy adopted by the Board addressing conduct of meetings.

3.10 Adjournment. If a quorum is not established, the President or other member of the Board may adjourn the meeting. If the new date, time and place of the meeting is announced at the meeting before adjournment, notice need not be further given. If not announced, Section 3.3 shall apply. Any business may be transacted which may have been transacted at the original meeting.

3.11 Voting by Entities and by the Association. The vote of a corporation, limited liability company, trust or other legal entity may be cast by a manager, member, manager, officer, trustee, or owner of said entity in the absence of express notice of designation of a specific person by said entity. The vote of a partnership may be cast by any general partner of the partnership in the absence of express notice of designation of a specific person by said partnership. The Board of Managers may require reasonable evidence that a person voting on behalf of an entity, partnership or trust is qualified to cast said vote. Votes allocated to a condominium unit owned by the Association may not be cast.

3.12 Voting by Proxy. A Member entitled to vote may vote by proxy. A Member may appoint a proxy executed in writing by the Member or by his or her duly authorized attorney in fact. Such proxy shall be filed with the Secretary or other duly designated agent of the Association before or at the meeting. The appointment of a proxy shall be effective upon receipt by the Association. No proxy shall be valid eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy shall automatically terminate upon a Member's conveyance of his or her condominium unit. A Member may designate thereon whether the proxy pertains to a particular meeting or issue. A Member may revoke a proxy in writing pursuant to law. The Association may reject a proxy if there is a reasonable and good faith basis to doubt the signature's validity.

3.13 Suspension of Voting Rights and Good Standing Defined. Any Member who is not in good standing with the Association as of the record date, pursuant to Article 3.13, shall not be permitted to vote for the period of time during which said Owner is not in good standing. For the purpose of this provision and these Bylaws, "good standing" means in current compliance with the governing documents of the Association, including the Declaration, Bylaws, Rules and Regulations, and Policies, and current on payment of assessments or dues.

3.14 Order of Business. The order of business at the annual meeting and as applicable to any special meeting shall be as follows:

- Roll call
- Proof of Notice
- Establishment of Quorum
- Reading of Minutes of last meeting
- Approval of any unapproved minutes
- Reports of officers and committees, if any
- Election of managers
- Election of Officers
- Budget consideration
- Unfinished business

New business
Adjournment

3.15 Record Date. The record date for the purpose of determining the Members entitled to notice of a Member meeting and to vote at a Member meeting shall be the day before a duly noticed Member meeting.

ARTICLE IV **Board of Managers**

4.1 Number of Managers. The affairs of the Association shall be governed by a Board of Managers (Board). The number of managers shall be no less than three, but no more than five. Each year, one-third of the managers' terms shall expire.

4.2 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association. Such powers and duties shall include but need not be limited to the following:

4.2.1 Exercise all power, duty and authority vested in or delegated to the Board under the Articles of Incorporation, Bylaws of the Association, Declaration, or pursuant to law.

4.2.2 Establish and adopt Bylaws, Responsible Governance Policies, other policies as determined by the Board (Policies), and Rules and Regulations for the Association.

4.2.3 Adopt and amend budgets for revenues, expenditures, and reserves.

4.2.4 Fix, collect and enforce all assessments as provided for in the Declaration, including special assessments, and in the Policies, including charges for late payments, recover reasonable attorneys' fees and other legal costs of collection of assessments and other actions to enforce the power of the Association, regardless of whether suit is initiated.

4.2.5 Mandatorily suspend the voting rights and other privileges of any Member not in good standing with the Association pursuant to Section 3.13 above.

4.2.6 Enforce the Declaration, Bylaws, Rules and Regulations and Policies, including but not limited to levying, after notice and hearing, a reasonable fine for a violation of the Declaration, Bylaws, Rules and Regulations or Policies of the Association.

4.2.7 Impose liens against any condominium unit owned by a Member who is not current in his or her payment of dues, assessments, fines, and other monetary obligations as set forth in the Declaration, Policies or Rules and Regulations of the Association.

4.2.8 Make contracts and incur liabilities, and timely pay such liabilities as they become due and owing.

4.2.9 Grant easements, licenses, leases and concessions for any period of time through and over the common elements.

4.2.10 Cause additional improvements to be made as part of the common elements.

4.2.11 Acquire, hold, encumber and convey in the Association's name, any right, title, interest to real estate or personal property, but common elements may be conveyed or subjected to a security interest only pursuant to law.

4.2.12 Assign future income.

4.2.13 Maintain, keep in good repair, replace, modify and operate all of the general and limited common elements, and regulate the use thereof, within the Association.

4.2.14 Hire and discharge managing agents.

4.2.15 Hire, supervise, and fire personnel necessary for the management, maintenance, repair and replacement, and operation of the Association and the Association's common elements and facilities.

4.2.16 Appoint committees to assist in Association matters, as appropriate.

4.2.17 Pay reasonable charges for the preparation and recordation of amendments to the Declaration or statements for unpaid assessments.

4.2.18 Provide for indemnification of its directors (managers) and officers and maintain directors' (managers') and officers' insurance, as well as procure general liability insurance for the Association's common elements and other property owned by the Association, which premium and deductible therefore shall be a common expense.

4.2.20 Commence and maintain, in its own name, on its own behalf, or in the names and on behalf of the Association's Members who consent thereto, suits and actions to restrain and enjoin any breach or threatened breach of the Declaration, or Rules and Regulations of the Association.

4.2.21 Cause to be kept a complete record of all corporate actions and affairs.

4.2.22 Exercise any and all powers and duties granted to the Association by the Colorado Nonprofit Corporation Act and the Colorado Common Interest Ownership Act, as the same now exists or as may hereafter be amended from time to time.

4.2.23 Exercise any other power permissible under applicable Colorado law.

4.2.24 Exercise any other powers necessary and proper for the governance, administration and operation of the Association.

4.3 Qualifications. All managers shall be Members of and in good standing with the Association.

4.4 Term of Office. Managers shall be elected at each annual meeting of the Members by the Members, and shall hold office for a three-year term, or until his or her successor has been duly elected and qualified.

4.5 Nominations and Elections. New candidates for the Board may be nominated from the floor. In so doing, the nominated candidate must articulate to those present at the meeting why he or she would be well suited to serve on the Board of Managers. Candidates may also be nominated prior to any meeting held for the purpose of election of the Board of Managers. Elections for the Board shall generally occur at the annual meeting of the Members, and, unless an open vote is unanimously agreed, shall be by secret written ballot with the persons receiving the highest amount of votes for such manager positions being declared elected.

4.6 Secret Written Ballot. At the discretion of the Board, in contested elections, or upon request of 20% of the Members who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which Owners are entitled to vote, shall be by secret written ballot. The results of a vote taken by secret written ballot, including for the election of a manager pursuant to Section 4.5 above, shall be reported without reference to the names, addresses or other identifying information of Members participating in such vote. Such ballots shall be counted by a neutral third party or a committee of volunteers. In the case of an election of managers, the volunteers shall not be Board members or candidates. Volunteers shall be Owners and shall be selected or appointed at an open meeting, in a fair manner, by the President or Vice-President of the Board.

4.7 Vacancies. The Board is empowered to fill any vacancy that may occur in its own body, or among the officers of the Association, and the person so appointed to such office shall hold that office until the expiration of the term of his or her predecessor. Any vacancy in the Board and any managership to be filled by reason of increase in the members of the Board may be filled by an affirmative vote of a majority of the remaining managers, though less than a quorum of the Board. Any managership filled due to an increase in the members on the Board shall only be for a term until the next election of managers occurs or at the next annual meeting of the Members.

4.8 Quorum and Manner of Acting. At least half of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. The act of the quorum of the managers shall be the act of the Board, unless the act of a greater number of managers is required by the Articles of Incorporation, the Declaration, or law. Board members may vote by directed proxy so long as such proxy appointment is executed in writing and the proxy is for another Board member. Such proxy shall be filed with the President or Secretary or other duly designated agent of the Association before or at the meeting. No proxy shall be valid eleven (11) months from the date of its execution, unless otherwise provided in the proxy. A proxy may be revoked in writing pursuant to law. The Board may reject a proxy if there is a reasonable and good faith basis to doubt the signature's validity.

4.9 Compensation. No manager, officer or member of any Board-delegated committee shall be entitled to receive any compensation as a manager, officer or member of any Board-delegated committee of the Association; provided, however, that he or she may be reimbursed

for any actual expenses incurred in the performance of his or her duties as a manager so long as such expense is approved by the Board prior thereto.

4.10 Annual Meetings. The annual meeting of the Board shall be held without notice than other than this Bylaw immediately before or after and at the same place as the annual meeting of the Members of the Association.

4.11 Regular and Special Meetings. Regular meetings of the Board shall be held at least semi-annually. Special meetings shall be held as needed and called by the President or a majority of managers.

4.12 Telephonic and Electronic Meetings. All members of the Board may participate in a Board meeting by telephonic or electronic means or similar communications equipment by which all persons participating in the meeting can hear and communicate with each other at the same time. Such participation shall constitute presence in person at the meeting.

4.13 Action Without Meeting. The Board may act without a meeting if notice and a consent is transmitted in writing to each and every member of the Board, and each Board member consents to the action requested therein. Action taken hereunder shall have the same effect as action taken at a duly noticed meeting of the Board, and may be described as such.

4.14 Open Meetings. All meetings of the Board are open to every Member of the Association and their representatives as designated by a Member in writing. Notices of Board meetings, including agendas, shall be posted on the Association's website. However, executive sessions held pursuant to C.R.S. § 38-33.3-308(3), as the same may be amended from time to time, are closed to membership attendance, save members of the Board.

4.15 Notice and Waiver of Notice. Except as otherwise stated herein, notice of any meeting of the Board shall be given at least two (2) days prior thereto, by written notice delivered personally to a manager, mailed to each manager by United States mail, or delivered by electronic mail at his or her address as shown on the membership roll of the Association. The notice need not state the purpose of the meeting unless otherwise required by these Bylaws. Any manager may waive notice of any meeting. Such waiver must be in writing, including email. However, the attendance of a manager at a meeting shall constitute a waiver of notice of such meeting, except where a manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board must be specified in a waiver of notice of such meeting.

4.16 Adjournment. The Board may adjourn any meeting from day to day for such other time as may be prudent or necessary in the interest of the Association, provided that no meeting may be adjourned for a period longer than thirty (30) days.

4.17 Resignation. A manager may resign from his or her position on the Board at any time by delivering written notice thereof to the President of the Board, or the Vice-President. Such resignation shall be effective upon receipt unless the notice sets forth a different effective date. Acceptance of such resignation shall not be necessary to make the resignation effective.

4.18 Removal. At any regular or special meeting of the Members, any manager may

be removed by a vote of 67% of all persons present and entitled to vote at which a quorum is present.

4.19 Policies and Rules and Regulations. The Board may adopt or shall adopt in the case of Responsible Governance Policies, and other policies governing the Association and Sunshine Condominiums, as determined by the Board. The Board shall adopt rules and regulations for Sunshine Condominiums including the operation and use of the common elements, by majority vote at any duly called meeting of the Board, and such vote, as is the case with the adoption of policies, shall be by majority vote.

4.20 Common Elements. The Association shall be responsible for the maintenance, repair, improvement and replacement of common elements. Such work shall not require the approval of the owners.

4.20.1 Undivided Interest in General Common Elements. The undivided interest in the general common elements appurtenant to each unit, which provides the basis for each Owner's ownership interest in the common elements, voting interest, and common expense liability, shall be of a permanent character. The undivided interests in general common elements shall not be altered without a vote of the 100% of the Owners, and a vote of 100% of the holders of first mortgages.

4.20.2 Additions to Common Elements. Any changes to the common elements that change an Owner's ownership interest in the general and limited common elements shall alter the Owner's ownership interest in the common elements, common expense liability, and voting interest in Association matters; and shall be subject to approval of the Owners pursuant to the Declaration.

ARTICLE V

Officers

5.1 Number. The officers of the Association shall be a President, Vice-President, and Secretary, and Treasurer, all of whom shall be members of the Board, and members of the Association.

5.2 Duties.

5.2.1 President. The President shall preside at all meetings of the Board of Managers and the Association; shall perform such other duties as may be prescribed in these Bylaws or assigned to him or her by the Board; and shall coordinate the work of the other officers to promote the purposes of the Association. The president may sign in conjunction with the secretary as authorized by the Board, deeds, instruments, contracts, mortgages, encumbrances or other instruments. He or she shall perform such other duties as prescribed by law.

5.2.2 Vice-President. The Vice-President shall act as an aid to the President and shall perform the duties of the President in the absence or disability of that officer, or his or her refusal to act.

5.2.3 Secretary. The Secretary or his or her agent shall take and preserve minutes of all meetings of the Board and of the Association; shall notify the Board members of all meetings; shall answer all correspondence and have custody of all files, records and other corporate documents and be responsible for their safe keeping; shall keep a record of the name and post office address of each Member; shall prepare, update, and make available to all Members the Association's managery including contact information of all Members; and shall perform all duties imposed by law for the secretary or treasurer of a nonprofit corporation or imposed by the Board.

5.2.4 Treasurer shall have custody of all funds of the Association; shall keep a full and accurate account of receipts and expenditures; and shall make disbursements in accordance with the approved budget, as authorized by the Board; shall prepare or assist in the preparation of a budget and present a financial statement at all times when requested by the Board. The Treasurer shall have signing authority for writing checks from the Association's bank account to pay for approved expenditures, and to deposit funds in the name of the Association into said bank. The Treasurer upon authorization by the Board of Managers, may negotiate any loan in the name of the Association and any notes or instruments in writing evidencing such loan shall be executed by the President and the Treasurer. The Treasurer or the agent thereof shall make a full report at the annual meeting of the Association, which may be subject to audit at the direction of the Board and shall be responsible for the maintenance of such books of account and records as conform to the requirements of these Bylaws and applicable federal and state laws. The Association's books shall be open at all times to inspection by any Members of the Association.

5.2.4 Designation of Agent. The Board may designate an agent or property manager to perform the duties of Secretary and the duties of the Treasurer.

5.3. Compensation. Officers may receive a salary or compensation in the performance of their officer duties, if deemed necessary and reasonable by the Board of Managers. Notwithstanding the foregoing, officers shall be reimbursed for expenses incurred on behalf of the Association, with prior approval given by the Board therefore.

5.4 Election of Officers and Term. Officers shall be elected by the Board of Managers at the annual meeting of the Board. Officers shall hold office for a one-year term or until their successors have been elected and qualified. The person receiving the majority of votes cast for such office shall be declared elected for the same.

5.5 Vacancy. A vacancy in any office because of the death, resignation, removal, disqualification or inability to act shall be filled by the Board for the unexpired portion of the term of that office. An officer may be removed by the Board with or without cause.

ARTICLE VI

Contracts, Loans, Checks and Deposits

6.1 Contracts. The Board by majority vote may authorize by resolution any officer or

officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

6.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances. Loans by the Association to a manager are expressly prohibited.

6.3 Checks, Drafts, Negotiable Instruments. All checks, drafts or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by the President, Vice-President, Secretary, Treasurer, managing agent or the bookkeeper as authorized by the Board.

6.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board may elect.

ARTICLE VII **Indemnification**

7.1 Mandatory. The Association shall indemnify a person made a party to a proceeding because the person was or is a manager, officer or a committee member against liability incurred in the proceeding if:

7.1.1 The person's conduct was in good faith; and

7.1.2 The person reasonably believed:

- a. in the case of conduct in an official capacity with the Association, that the conduct was in the Association's best interests; and
- b. in all other cases, that the conduct was at least not opposed to the Association's best interests; and
- c. in the case of any criminal proceeding, the person had no reasonable cause to believe that the conduct was unlawful.

7.1.3 The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the manager did not meet the standard of conduct described herein.

7.2. No Indemnification. The Association shall not indemnify a person if:

7.2.1 In connection with a proceeding by or in the right of the Association in which the manager, officer or committee member was adjudged liable to the Association; or

7.2.2 In connection with any other proceeding charging that the manager, officer or

committee member derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the person was adjudged liable on the basis that he or she derived an improper personal benefit.

7.3 Determination. The Association may not indemnify a person under Section 7.1 above, unless authorized in a specific case after a determination has been made that indemnification of a manager or officer or committee member is permissible in the circumstances because he or she has met the standard of conduct as set forth in Section 7.1 above. Otherwise, a determination to indemnify a manager, officer or committee member shall be made pursuant to C.R.S. § 7-129-106 (2), as the same may be amended from time to time.

7.4 Successful on the Merits. The Association shall indemnify a person who is wholly successful on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person was or is a manager, officer or committee member, against reasonable expenses incurred by the person in connection with the proceeding.

7.5. Reimbursement. The Association may pay for or reimburse the reasonable expenses incurred by a manager, officer or committee member who is a party to a proceeding in advance of final disposition of the proceeding if:

7.5.1 He or she furnishes to the Association a written affirmation of the manager, officer or committee member's good faith belief that he or she has met the standard of conduct described in Section 7.1 above;

7.5.2 He or she furnishes to the Association a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she did not meet the standard of conduct herein; and

7.5.3 A determination is made that the facts then known to those making the determination would not preclude indemnification under this Article VIII.

The Association shall not advance expenses to a person unless authorized in a specific case after the written affirmation and undertaking set forth above in Sections 7.5.1 and 7.5.2 are received and the determination required by Section 7.5.3 has been made.

7.6 Expenses. Expenses shall mean reasonable expenses, such as costs, liabilities, judgments, obligations, fines and any amounts paid in reasonable settlement of a proceeding, whether threatened, pending, or completed, and whether civil, criminal, administrative or investigative and shall include appeals.

7.7 Notice. The Association shall give written notice to its Members if it indemnifies or advances expenses to a manager, officer or committee member pursuant to C.R.S. § 7-129-110, as the same may be amended from time to time.

ARTICLE VIII **Association Records**

8.1 Permanent Records. The Association shall keep the following as a permanent record: 1) minutes of all Member and Board meetings; 2) a record of all actions taken by the Members or the Board without a meeting; 3) a record of all actions taken by a committee of the Board; and 4) a record of all waivers of meeting notices of Members, the Board, or any committee of the Board.

8.2 List. The Association must maintain a record of all Members and their addresses, as well as the number of votes each Member is entitled to vote. Any lists and dissemination thereof shall be in accordance with the Association's policy on record retention, inspection and copying.

8.3 Written Form. Association records must be maintained in written form or in another form that can be converted into written form.

8.4 Inspection of Records. In addition to those documents set forth in C.R.S. § 38-33.3-209.4(2), the Association must make certain records available during normal business hours, with 21-day notice for examination and copying by an Owner or mortgagee in accordance with its Record Retention, Inspection and Production Policy.

8.5 Governing Documents. In addition to permanent records that the Association is required to keep, the Association must keep a copy of each of the following documents, including any amendments thereto, and records at its principal office: 1) the Articles of Incorporation; 2) the Bylaws; 3) the Declaration including any amendments thereto, and the Condominium Maps and Plats, including any amendments thereto; 4) resolutions adopted by the Board that affect Members; 5) the minutes of all Member meetings and records of action taken by the Members without a meeting for the past three (3) years, when applicable; 6) all written communications within the past 3 years to Members; 7) a list of the names and addresses, business and home, of its current managers and officers; 8) its most recent annual report; and 9) financial statements for the last three years. The Association shall also keep at its principal office a copy of any Rules and Regulations and Policies adopted by the Board.

ARTICLE IX

Fiscal Year

The fiscal year of the Association shall be the calendar year, unless approved otherwise by the Board of Managers.

ARTICLE X

Transactions with Interested Managers

A "transaction with interested managers" is one to which the Association is a party and in which one or more of the managers has a material financial interest. It shall be the obligation of the manager(s) to inform the Association, as soon as the interest is known or suspected, when such a transaction exists. The Board shall not approve such a transaction except as follows: the Board may approve a transaction with an interested manager(s) if the Board determines, with sufficient findings, that the transaction is undertaken for the Association's own benefit, and is fair and reasonable to the Association; and the Board determines after reasonable investigation that this Association could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Such determinations must be made by the Board, in good faith, with knowledge of material facts concerning the transaction and the interested manager's(s') interest in the transaction. The interested manager(s) may participate in the discussions but shall not vote on the subject transaction and issue. The Board in any event shall comply with the Policy for Conflicts of Interest adopted by the Association.

ARTICLE XI **Obligation of Owners**

11.1 Assessments. Except as is otherwise provided in the Declaration, all Owners shall be obligated to pay the regular and special assessments or dues imposed by the Association to meet the common expenses of the Association as set forth in the Declaration. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of the Members, within the meaning of these Bylaws, if and only if, such Member has fully paid all assessments or dues made or levied against such Member and the subject condominium unit as of the record date, pursuant to Article 3.13, in addition to complying with other requirements under the governing documents. The Association shall have the authority to impose liens for nonpayment as set forth herein, in the Declaration, and pursuant to law.

11.2 Payment of Assessments. Payment of assessments shall be in accordance with the Declaration, as well as any policy on collections regarding the same. The Association may establish the rate of interest to be charged as to any past due assessment, in accordance with the Declaration. Until otherwise established by the Association, if any assessment is not paid by the date it becomes due and payable, a late charge of \$10.00 to cover the extra costs and expenses involved in handling such delinquent payment shall be imposed. If any Owner fails to timely pay assessments or any money or any sums due to the Association, the Association may require reimbursement for collection costs, reasonable attorneys' fees and costs incurred as a result of such failure without the necessity of commencing such legal action.

11.3 Statement. Upon the request of an Owner, mortgagee, or prospective mortgagee or grantee of a Unit, and the payment of a reasonable fee, the Association shall issue a written statement setting forth the amount of unpaid assessments for the subject condominium unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments or for prepaid items, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement for indebtedness shall be delivered personally or by certified mail, first class postage prepaid, return receipt requested, to the inquiring party within fourteen (14) business days, all unpaid assessments and other charges which become due prior to the date of making such request shall be subordinate to the lien of a mortgagee which acquired its interest in the condominium unit subsequent to requesting such statement, and any prospective grantee shall not be liable for, nor shall the condominium unit be conveyed subject to the lien or any unpaid assessments against the subject condominium unit.

11.4 Assumed Obligations. Upon conveyance of a condominium unit to an Owner, the same shall be responsible for all unpaid assessments of the Association, subject to the Declaration, and the same are deemed assumed by the Owner upon conveyance thereof to him or her, together with any and all other liens and encumbrances placed thereon in accordance with applicable law.

11.5 Compliance with Governing Documents. Each Owner, by virtue of being an Owner,

shall comply with the Declaration, Rules and Regulations, and Policies governing the Association. The Board has the power to enforce compliance with such governing documents as may be necessary for the operation, use and occupancy of Sunshine Condominiums with the right to amend the same from time to time.

ARTICLE XII **Lien for Non-Payment**

12.1 Lien. All costs, charges, assessments, dues and fees billed by the Association and not paid as specified under the Declaration or as set forth on the invoice, together with interest, late fees or fines thereon as set forth in the Declaration or other Association document, shall constitute a lien on the condominium units of the non-paying Owner in favor of the Association, which shall bind the owner(s) of such condominium unit, his heirs, devisee, personal representatives and assigns. The assessment shall also be the personal obligation of the Owner and shall remain his personal obligation, jointly and severally, with a successor in title, if any. Such lien shall be superior to all other liens and encumbrances upon such condominium unit except only:

12.1.1 Tax and assessment liens on the condominium units, or any liens of any governmental authority; and

12.1.2 All sums unpaid on a first mortgage or deed of trust of record.

12.2 Colorado Common Interest Community Act. Provided further, the Association shall have all such powers granted to it as to the enforcement, lien priority, and rights of collection as are set forth in the Colorado Common Interest Ownership Act as it now exists and as may be hereafter amended from time to time.

12.3 Statement of Lien. To evidence such lien, the Association may prepare a written notice of lien setting forth the amount of the unpaid charge, costs, assessment, dues, fees, interest, fine or other charge, the name and address of the record Owner of the condominium unit and a legal description of the condominium unit. Such notice shall be recorded in the official records of Gunnison County, Colorado. Such lien shall attach from the date of failure of payment of the invoice then due, and will include the amount remaining unpaid, accrued interest and late fees thereon, and all fees and costs incurred by the Association in the preparation and recording of said notice of lien and a release thereof. Said lien may be enforced by foreclosure in the same manner as foreclosure of a mortgage. In such foreclosure, the Owner shall be required to pay the costs and expenses for such proceedings, the costs and expenses for filing the notice of lien and all reasonable attorneys' fees and costs incurred by the Association. The Owner shall also be required to pay to the Association the dues for the during the period of foreclosure. The Association shall have the power to bid on the condominium unit at foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

12.4 Collections Policy. The Association shall comply with its policy on collections prior to initiating any legal action, including the filing of a lien, with respect to a delinquent Owner.

ARTICLE XIII **Enforcement**

13.1 Abatement and Enjoinment of Violation of Owners. The violation or breach of any of the governing documents, including the Rules and Regulations or Policies, shall give the Board the right, after notice and hearing, except in case of an emergency, in addition to any other rights set forth in these Bylaws:

13.1.1 To enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. Such defaulting Owner shall be liable for reasonable attorneys' fees and costs incurred by the Association in such action; or

13.1.2 To enter upon the condominium unit, in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition that is existing and creating a danger to other Owners or Members, common elements, or other Association property contrary to the intent and meaning of the governing documents. The Board shall not be deemed liable for any manner of trespass by this action.

13.1.3 In addition to the foregoing, the Association shall comply with its Policy on Enforcement of the Governing Documents.

ARTICLE XIV **Alienation**

There are no restrictions on sale or lease of a condominium unit within Sunshine Condominiums.

ARTICLE XV **Liens upon Common Elements**

The Declaration, the Articles of Incorporation, nor these Bylaws prevent the imposition of liens, including mechanics' or tax liens upon the common elements. However, if any Owner shall cause material to be furnished to his or her condominium unit, or any labor performed thereon, the Association and/or other Owners shall not be liable under any circumstances for the payment of any expense incurred or for the value of any work done or material furnished. All such work shall be at the expense of the Owner or Owners causing it to be done, and such Owner(s) shall be solely responsible to contractors, laborers, materialmen and other persons furnishing labor, supplies, or material to his or her condominium unit. No labor performed or supplies or materials furnished due to the consent or request of an Owner shall be the basis of filing a mechanics' lien against the condominium unit or the limited or general common elements. Each Owner shall indemnify and hold harmless the Association and each of the other Owners from and against all liability arising from the claim of any mechanics lien against condominium unit of any other Owner or against the limited or general common elements for construction or labor performed, materials or services incorporated into the condominium unit at the direction of said Owner. Any and all expenses incurred by the Association as a result of the violation of this Article shall be borne by the Owner(s) responsible for such violation.

ARTICLE XVI **Amendments**

16.1 Articles of Incorporation. The Articles of Incorporation may be amended by the Members or the Board, pursuant and subject to the Colorado Nonprofit Corporation Act, as the same may be amended from time to time.

16.2 Bylaws. The Board of Managers, by majority vote thereof, may amend the Bylaws at any time to add, change or delete a provision, unless:

16.2.1 The amendment would change the quorum or voting requirement for Members; or

16.2.2 The amendment would increase the quorum or voting requirements for the Board, in which case the Board or the Members may adopt the amendment.

16.2.3 In the event amendment requires a vote of the Members based on the above provisions, such amendment shall be subject to the Member quorum and voting requirements in effect at the time of the proposed amendment.

16.3. Condominium Declaration for Sunshine Condominiums. The President, or the Secretary in the President's absence, may prepare or caused to be prepared, execute, certify and record or cause to be recorded amendments to the Declaration for the Association.

CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Amended and Restated Bylaws consisting of 17 pages, including this page, constitute the Bylaws of the Sunshine Condominiums Association, as approved and adopted by the Board of Managers on the 4th day of August, 2021.



JEANNETTE MARCEL (Aug 10, 2021 16:52 CDT)

President

Aug 10, 2021







Sunshine Bylaws

Final Audit Report

2021-08-10

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