

**BYLAWS
OF
WATER DANCE ON LAKE DILLON MASTER ASSOCIATION**

ARTICLE I

NAME AND LOCATION

The name of the corporation is **Water Dance on Lake Dillon Master Association** (the "Association"), a Colorado nonprofit corporation. The principal office and address of the corporation is located at 18840 Highway 9, Post Office Box 4880, Frisco, Colorado 80443.

ARTICLE II

DEFINITIONS, PURPOSES AND ASSENT

Section 2.01. Definitions. The definitions in the Master Declaration for Water Dance on Lake Dillon, as amended, supplemented or restated from time to time and recorded in the office of the Clerk and Recorder of Summit County, Colorado, will apply to these Bylaws, and all defined terms used in these Bylaws will have the same meaning as the defined terms used in the Declaration, unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise.

Section 2.02. Purposes. The specific purposes for which the Association is formed are (i) to provide for the operation, administration, use and maintenance of the Common Area in the planned community of Water Dance in Summit County, Colorado; (ii) to preserve, protect and enhance the values and amenities of such property; and (iii) to promote the health, safety and welfare of the Owners and users of Water Dance.

Section 2.03. Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other person using the facilities of Water Dance in any manner are subject to the Association Documents, including these Bylaws and any rules adopted by the Board of Directors. The acquisition or rental of any of the Lots in Water Dance or the occupancy of any of the Lots will constitute ratification and acceptance of these Bylaws and an agreement to comply with those rules.

ARTICLE III

MEMBERSHIP

Section 3.01. Membership. Ownership of a Lot is required in order to qualify for membership in the Association.

Section 3.02. Representation on Board of Directors. If title to a Lot is held by a firm, corporation, partnership, association, limited liability company or other legal entity or any combination thereof, or if any individual or entity holds title to more than one Lot, then in either case, that individual or entity may appoint, by a writing furnished to the Association, a delegate to represent each such Lot as a candidate for, and if elected, as a member of, the Board of Directors. Such delegate will not vote as a Member unless such person is appointed by a proxy executed in conformance with Section 4.10 of these Bylaws to cast the voting interest of the Lot which he represents.

Section 3.03. Responsibilities of Members. Any person, including Declarant, on becoming an Owner, will automatically become a Member and be subject to these Bylaws. Such membership will terminate without any formal Association action whenever such person ceases to own a Lot, but such termination will not relieve or release any such former Owner from any liability or obligation incurred under the Declaration or in any way connected with the Association during the period of such ownership, or impair any rights or remedies which the Board of Directors or others may have against such former Owner arising out of ownership of the Lot and membership in the Association and the covenants and obligations incident thereto.

Section 3.04. Membership Certificates. No certificates of stock will be issued by the Association, but the Board of Directors may, if it so elects, issue membership cards to Owners. Such membership card will be surrendered to the Secretary of the Association whenever ownership of the Lot designated on the card is terminated.

Section 3.05. Classes of Membership. Initially, the Association will have one class of voting membership, composed of all Owners, including Declarant.

The Board may establish additional classes of membership from time to time.

Section 3.06. Voting Privileges. All Members will be entitled to vote on Association matters on the basis of one vote for each Lot owned.

When more than one person holds an interest in any Lot, all such persons will be Members. The vote for such Lot will be exercised by one person or alternative persons as the Owners among themselves determine. If more than one of the multiple Owners are present at a meeting in person or by proxy, the vote allocated to their Lot may be cast only in accordance with the agreement of a majority in interest of the Owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to his Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

Any Owner of a Lot that is leased may assign his voting right to the tenant, provided that the tenant is appointed to vote on behalf of the Owner by proxy and the proxy is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right.

Section 3.07. Proof of Membership. Any person, on becoming an Owner, will furnish to the Manager or to the Secretary of the Association a photocopy or a certified copy of the recorded instrument vesting that person with an ownership interest, which instrument will remain in the files of the Association. An Owner will not be deemed a Member in good standing and will not be entitled to vote at any annual or special meeting of the Members unless this requirement is first met.

ARTICLE IV

ASSOCIATION: MEETINGS, QUORUM, VOTING, PROXIES

Section 4.01. Place and Frequency of Meetings. Meetings of the Members will be held at least once each year at such place, within or without the State of Colorado, as the Board of Directors may determine.

Section 4.02. Annual Meetings. The first annual meeting of the Members will be held within one year after the date of the adoption of these Bylaws. Each subsequent annual meeting of the Members will be held on a date and at a time set by the Board of Directors. The purpose of the annual meetings is for the election of the Board and the transaction of such other business of the Association as may properly come before the meeting.

Section 4.03. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association, or by a majority of the Board of Directors, or upon written request of Members who are collectively entitled to vote at least 20% of all of the votes in the Association.

Section 4.04. Notice of Meetings. Written notice stating the place, day and hour of the meeting and the agenda for the meeting will be delivered not less than 10 nor more than 50 days before the date of the meeting, personally or by mail or otherwise as permitted by the Act, by or at the direction of the President, or the Secretary, or the persons calling the meeting, as provided in these Bylaws, to the registered mailing address for notice (as provided in the Declaration) of each Member entitled to vote at such meeting.

Section 4.05. Quorum. A quorum is deemed present throughout any meeting of the Association if Members entitled to cast (or proxies entitled to cast) 20% of the votes of the Association are present at the beginning of the meeting. If, however, such quorum is not present or represented at the meeting, the Members entitled to vote at the meeting will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented by proxy.

Section 4.06. Actions Binding on Members. A majority of votes intended to be cast by Members constituting a quorum in person or by proxy will be sufficient to make decisions binding

on all Owners, unless a different number or method of voting is expressly required by statute or by the Declaration, the Articles or these Bylaws.

Section 4.07. Majority of Owners. As used in these Bylaws, the term "majority" will mean those votes, Owners, or other groups as the context may indicate totaling more than 50 percent of the total number.

Section 4.08. Voting by Mail. Voting by mail is permitted for election of the Board of Directors, amendment of the Articles, adoption of a proposed plan of merger, consolidation or dissolution pursuant to the provisions of the Act and the Colorado Nonprofit Corporation Act, each as amended from time to time, or other questions that come before the Association. In the case of a vote by mail, the secretary of the Association will give written notice to all Members, which notice will include a proposed written resolution setting forth a description of the proposed action, a statement that the Members are entitled to vote by mail for or against such proposal, a statement of a date not less than 20 days after the date such notice will have been given by which all votes must be received, and the specified address of the office to which all votes must be sent. Votes received after that date will not be effective. Delivery of a vote in writing to the designated office will be equivalent to receipt of a vote by mail at such address for the purpose of this section.

Section 4.09. Proxies. Any Member may cast such Member's vote in person or by proxy, but no proxy will be valid if it is not dated or if it purports to be revocable without notice. Further, no proxy will be valid after eleven months from the stated date of its execution unless otherwise provided in the proxy or unless voluntarily revoked upon notice, amended, or sooner terminated by operation of law. Finally, no proxy will be valid unless filed with the Secretary of the Association at or before the appointed time of the meeting at which the proxy will be voted.

Section 4.10. Designation of Voting Representative by Non-Individual Owners--Requirement for Proxy. If title to a Lot is held in whole or in part by a firm, corporation, partnership, association, limited liability company or other legal entity, the voting privilege appurtenant to that ownership may be exercised only by a proxy executed on behalf of such party or parties, filed with the Secretary of the Association, and appointing and authorizing one person or alternate persons to attend all annual and special meetings of the Members and to cast the vote allocated to that Lot at the meeting.

Section 4.11. Designation of Voting Representative by Multiple Owners--Use of Proxy. If title to a Lot is held by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of the Lot through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association.

Section 4.12. Waiver of Notice. Waiver of notice of a meeting of the Members will be deemed the equivalent of proper notice. Any Member may waive, in writing, notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member,

whether in person or by proxy, will be deemed waiver by such Member of notice of the time, date and place of the meeting unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting will also be deemed waiver of notice of all business transacted at the meeting unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 4.13. Action Without a Meeting. Any action which may be taken by the vote of the Members at a regular or special meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by of all of the Members.

ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 5.01. Number, Qualification and Initial Board. The affairs of this Association will be managed by a Board of not less than three and no more than nine Directors. The number of the Board of Directors will be established from time to time by amendment to these Bylaws.

The initial number of members of the Board of Directors will be three. The names and addresses of the three persons who are to serve on the initial Board of Directors until their successors are appointed are as listed below:

<u>NAME</u>	<u>ADDRESSES</u>
Jeff Temple	Water Dance, Ltd. Post Office Box 4880 18840 Highway 9 Frisco, Colorado 80443
Mark Casey	2290 East Prospect Road, Suite No.1 Post Office Box 2127 Fort Collins, Colorado 80522
Trish Snyder	Water Dance, Ltd. Post Office Box 4880 18840 Highway 9 Frisco, Colorado 80443

Section 5.02. Directors During Declarant Control. During the Period of Declarant Control the Board of Directors will be selected by Declarant and will serve at the sole discretion of Declarant, subject, however, to the provisions of Section 38-33.3-303 of the Act (providing for produce transition of control of the Board as Lots are sold in Water Dance). The Directors selected by Declarant need not be Members of the Association.

Section 5.03. Election of Directors As Lot Sales Close. From time to time as sales of Lots in Water Dance proceed, Declarant will yield control of one or more slots in the Board of Directors as necessary to comply with Section 38-33.3-303 of the Act. Each time that Declarant is required to transfer control of a Director's position, a special meeting of the Board of Directors and of the boards of directors of each Project Association will be called. The members of the boards of directors of all Project Associations, existing at that time (each board meeting with at least a quorum under its respective bylaws), will vote, together, to appoint a new Director to take the place of the Director designated by Declarant as resigning.

Section 5.04. Election of Directors After Period of Declarant Control. Upon termination of the Period of Declarant Control in accordance with the Declaration, as required in Section 38-33.3-303 of the Act, a special meeting of the Association will be called, at which Declarant will turn control of the Association over to the other Members, represented by the boards of the Project Associations. Any terms of Directors appointed by Declarant that have not expired will terminate at that time. The board of directors of each Project Association then existing in Water Dance will hold a special meeting to appoint an individual to serve on the Board of Directors of the Association. In the event that, upon termination of the Period of Declarant Control or at any subsequent time, the number of Directors appointed to the Board of the Association by the boards of the Project Associations, as provided above, is an even number, then the members of all the boards of directors of the Project Associations (each board meeting with at least a quorum under its respective bylaws) will vote together to elect one more Director to establish an odd number of seats on the Board.

Section 5.05. Voting Procedures. Voting for Directors will be by secret written ballot.

Section 5.06. Term of Office of Directors After Period of Declarant Control. The term of office for the first Board of Directors elected after the Period of Declarant Control will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-third of the Board is elected each year, and the Board will identify in which year the directorships for each category of representation are subject to election. For example, if the number of Directors on the initial Board is set at three pursuant to Section 5.01 above, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected as provided above and qualified to take over the office.

Section 5.07. Removal of Directors. Any Director other than one appointed by Declarant may be removed, with or without cause, at any regular or special meeting of the board(s) of directors of the Project Associations that selected the Director by majority vote of such Project Association board(s) at a meeting at which a quorum is present. A successor to any Director removed may be elected at such meeting to fill the vacancy created by removal of the Director. A Director whose removal is proposed by the board(s) of the Project Association(s) will be given notice of the proposed removal at least 10 days prior to the date of such meeting and will be given an opportunity to be heard at such meeting.

Section 5.08. Vacancies.

(a) During Period of Declarant Control. During the Period of Declarant Control, if a Director appointed by Declarant dies, becomes disabled or resigns, Declarant will appoint a new Director to serve the balance of the term of the resigning, disabled or deceased Director. If a Director elected by the board of directors of a Project Association dies, becomes disabled or resigns, the board of that Project Association will appoint a new Director to serve the remaining term. Finally, if a Director elected by the boards of the Project Associations together should resign, become disabled, or die, the remaining Directors will appoint a new Director from among the members of the boards of the Project Association to serve the remainder of the term of the resigning, disabled or deceased Director.

(b) Following Period of Declarant's Control. After the expiration or termination of the Period of Declarant Control, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors. The term of the Director so elected will be coincident with the term of the replaced Director.

Section 5.09. Compensation. No Director will receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of his duties as a Director.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 6.01. Regular Meetings. Regular meetings of the Board of Directors will be held at such regular times as set by the Board of Directors, at such place and hour as may be fixed from time to time by resolution of the Board. Should a regularly scheduled meeting fall upon a legal holiday, then that meeting will be held at the same time on the next day which is not a legal holiday.

Section 6.02. Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association, or by any two Directors, after not less than three days' notice to each Director.

Section 6.03. Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast 50% of the votes on the Board are present at the beginning of the meeting.

Section 6.04. Actions Binding on Directors. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

Section 6.05. Waiver of Notice. Attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Before, at, or after any meeting of the Board of Directors, any member of the Board may waive in writing notice of such meeting, and such waiver will be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the waiver of notice of such meeting.

Section 6.06. Action Taken Without a Meeting. The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting by obtaining the written approval of all the Directors. Any action so approved will have the same effect as though taken at a meeting of the Directors.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 7.01. General. The Board of Directors will have the powers and duties necessary for the administration of the affairs of the Association. Except as provided by these Bylaws, the Declaration or the Act, the Board of Directors may do all such acts and things which are not specifically required to be done by the Members and may otherwise act in all instances on behalf of the Association.

Section 7.02. Specific Powers and Duties. Without limiting the generality of powers and duties set forth in Section 7.01 above, the Board of Directors will have the following powers and duties, in each case subject only to applicable requirements of the Act:

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

(b) To establish, make, amend from time to time and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of Water Dance, subject to the provisions of the Declaration. A copy of such rules and regulations will be delivered or mailed to each Member promptly after adoption.

(c) To keep in good order, condition and repair all the Common Area and all items of personal property, if any, used in the enjoyment of the Common Area. No approval of the Members is required for expenditures for these purposes, except as otherwise required by the Declaration or these Bylaws.

(d) To fix, determine, levy, and collect the prorated Annual Assessments to be paid by each of the Members towards the gross expenses of Water Dance, and to adjust, decrease or increase the amount of the Assessments, and to credit any excess of Assessments over expenses and cash reserves to the Members against the next succeeding Assessment period.

(e) To levy and collect Special Assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments will be in statement form and will set forth in detail the various expenses for which the Special Assessments are being made.

(f) To levy and collect Default Assessments for violation of the Association Documents or because the Association has incurred an expense on behalf of a Member under the Association Documents.

(g) To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from an Owner as provided in the Declaration and these Bylaws; and to exercise other remedies for delinquent Assessments as set forth in the Declaration.

(h) To fix, determine, levy and collect the working capital funds to be paid by each of the Members towards the working capital account of the Association, and to adjust, decrease or increase the amount of working capital funds collected from each Member as provided in the Declaration.

(i) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration and these Bylaws and to authorize the appropriate officers to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; provided, however, that the Board will not borrow more than \$50,000 or cause the Association to be indebted for more than \$50,000 at any one time without the prior approval of a majority of votes of Members present and voting in person or by proxy on the issue.

(j) To enter into contracts within the scope of their duties and powers.

(k) To establish a bank account for the operating account of the Association and for all separate funds as required or deemed advisable by the Board of Directors.

(l) To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by Members or their Mortgagees during convenient weekday business hours.

(m) To cause any and all access roads, parking areas and roadways in and to Water Dance and across the Property to be maintained to the extent those facilities are within the jurisdiction or control of the Association, subject to the provisions of the Declaration.

(n) To cause the maintenance of the lawn, trees, shrubs, and other vegetation, and the sprinkler or other irrigation systems located on the Common Area for the benefit of the Members.

(o) To cause to be maintained the insurance coverage (including without limitation fidelity insurance, or in its place, a bond covering the Manager, the Board, the officers and any other persons charged with handling Association funds) as may be necessary to comply with the requirements of the Declaration and the Act.

(p) To delegate to the Manager or any other person or entity such of the Association's duties or responsibilities as may be more conveniently or efficiently performed by someone other than by the Association, and to agree to assess to the Members a reasonable fee for such services, except that the duties set forth in subparagraphs (d), (e), (f) and (h) of this Section 7.02 and duties reserved to the Board by law will not be so delegated.

Section 7.03. Manager. The Board of Directors may employ for Water Dance a professional management agent or agents as Manager for compensation established by the Board of Directors to perform such duties and services as authorized by the Board of Directors. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (e), (f), (h) and (p) of Section 7.02 of this Article and duties reserved to the Board by law. Declarant, or an affiliate or employee of Declarant, may be employed as Manager, subject to the limitations of the Act.

Section 7.04. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) A segregation of accounting duties should be maintained, and disbursements by check in any amount greater than \$5,000 will require two signatures. Cash disbursements will be limited to amounts of \$200 or less.

(b) Cash accounts of the Association will not be commingled with any other accounts.

(c) No remuneration will be accepted by the Board of Directors or the Manager from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise (except that such persons may be employees of Declarant during the Period of Declarant Control). Anything of value received will be for the benefit of the Association.

(d) Any financial or other interest that the Manager or a member of the Board of Directors may have in any firm (other than Declarant) providing goods or services to the Association will be disclosed promptly to the Board of Directors.

(e) Commencing at the end of the calendar quarter in which the first Lot is sold by Declarant and closed, and continuing on a quarterly basis, financial reports will be prepared for the Board of Directors containing the following:

(i) An income statement reflecting all income and expense activity for the preceding three months;

(ii) A balance sheet as of the last day of the quarter;

(iii) A delinquency report listing all Owners who have been delinquent during the preceding three-month period in paying the periodic installments of Assessments and who remain delinquent at the time of the report, and describing the status of any action to collect such installments which remain delinquent.

(f) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year will be distributed to the Members. At the written request of an Owner or First Mortgagee, such statements will be audited at the requesting party's expense. Any such audited statements will be delivered to any Owner requesting the report and to the Association upon payment of a reasonable fee for copying.

(g) An account status report reflecting the status of all accounts in an "actual" versus "approved" budget format with a budget report reflecting any actual or pending obligations that are in excess of budgeted amounts by an amount exceeding the operating reserves

or 10% of a major budget category (as distinct from a specific line item in an expanded chart of accounts) will be prepared for the Board periodically upon the Board's request and will be made available to all Members.

Section 7.05. Hearing Procedure. The Board will not impose a fine, suspend voting, or suspend any rights of a Member or other occupant of Water Dance for violations of rules and regulations or of the provisions of the Water Dance Documents unless and until the procedure below is followed:

(a) Demand. Written demand to cease and desist from the alleged violation will be served upon the alleged violator specifying:

- (i) the alleged violation;
- (ii) the action required to abate the violation; and
- (iii) a time period of not less than 10 days during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the imposition of a sanction after notice and hearing, if the violation is not continuing.

(b) Notice. At any time within 12 months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty or if the same rule is subsequently violated, the Board or its delegate will serve the violator with written notice of a hearing to be held by the Board. The notice will contain the following:

- (i) the nature of the alleged violation;
- (ii) the time and place of the hearing, which time will not be less than 10 days from the giving of the notice;
- (iii) an invitation to attend the hearing and produce any statement, evidence and witness on the Member's behalf; and
- (iv) the proposed sanction to be imposed.

(c) Hearing. The hearing will be held pursuant to the notice, affording the Member a reasonable opportunity to be heard. Prior to the effectiveness of any sanction under these Bylaws, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director, or agent who delivered such notice. The notice requirement will be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting will contain a written statement of the results of the hearing and the

sanction, if any, imposed. Written and oral evidence may be presented. The presenting party will provide copies of any written evidence to the other party or parties. The decision of the Board will be final.

(d) Appeal. The Board may in its discretion appoint a Hearing Committee to hear the matter. In such event the above procedure will apply except that either party may appeal the decision of the Hearing Committee to the Board by written notice to the Hearing Committee, the other party and the Board. The Board will consider the minutes of the hearing and report the decision of the Board within a reasonable period of time not exceeding 60 days after receipt of the notice. The decision of the Board will be final.

These procedures will not be necessary in order to impose any sanction or penalty for nonpayment of a delinquent Assessment.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 8.01. Enumeration of Officers. The officers of the Association will be a President, Vice-President, Secretary and Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 8.02. Election of Officers. The election of officers will take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 8.03. Term. The officers of the Association will be elected annually by the Board, and each will hold office for one year or until his successor is duly elected and qualified, unless he sooner resigns, or is removed, or is otherwise disqualified to serve.

Section 8.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom will hold office for such period, have such authority and perform such duties as the Board may determine from time to time.

Section 8.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

Section 8.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy will serve for the remainder of the term of the officer replaced.

Section 8.07. Multiple Offices. Any two or more offices may be held by the same person except the offices of President and Secretary.

Section 8.08. Duties. The duties of the officers are as follows:

(a) President. The President will preside at all meetings of the Association and the Board of Directors; see that orders and resolutions of the Board are carried out; sign all leases, mortgages, deeds, and other written instruments; co-sign all promissory notes; cause to be prepared and execute, certify and record amendments to the Declaration on behalf of the Association; and exercise and discharge such other duties as may be required of the President by the Board.

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

(c) Secretary. The Secretary will record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and place it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records listing the Members together with their addresses; and perform such other duties as required by the Board.

(d) Treasurer. The Treasurer will receive and deposit in appropriate bank accounts all monies of the Association and will disburse such funds as directed by resolution of the Board of Directors; sign all checks of the Association unless the Board specifically directs otherwise, and co-sign all promissory notes of the Association; keep proper books of account; at the direction of the Board, cause an annual audit of the Association books to be made by a public accountant at least once in every three fiscal years; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at their regular annual meeting, and deliver or make copies available to each of the Members.

ARTICLE IX

COMMITTEES

The Board of Directors may appoint a Hearing Committee as described in Article VII above, and other committees as the Board deems appropriate in carrying out its purposes. Following the Period of Declarant Control provided in the Declaration, the Board will also appoint the Design Review Committee.

ARTICLE X

INDEMNIFICATION

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

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

ARTICLE XI

NONPROFIT CORPORATION

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

ARTICLE XII

AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of a majority of a quorum of Directors present in person or by proxy, but amendment of Article V, X, XII or any portion of those Articles will require approval of all Directors.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Fiscal Year. The fiscal year of the Association will begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year will begin on the date of incorporation.

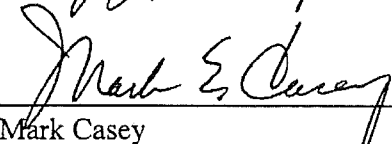
Section 13.02. Corporate Seal. The Association will have a seal in circular form having within its circumference the words: "Water Dance on Lake Dillon Master Association."

Section 13.03. Conflicts of Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles will control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration will control.

The undersigned members of the initial Board of Directors have executed these Bylaws (in counterpart copies) effective the 23rd day of November 1994.



Jeff Temple



Mark Casey



Trish Snyder

UNANIMOUS CONSENT
IN LIEU OF A MEETING
OF THE
BOARD OF DIRECTORS
OF
WATER DANCE ON LAKE DILLON
MASTER ASSOCIATION

May 26, 1995

The Colorado Nonprofit Corporation Act (the "Act") provides that any action required or permitted to be taken at a meeting of the board of directors of a nonprofit corporation organized under Colorado law may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by each director and delivered to the secretary of the corporation for inclusion in the minutes or for filing with the corporate records.

By signing this document, the undersigned, being all the directors of Water Dance on Lake Dillon Master Association, a Colorado nonprofit corporation (the "Corporation"), waive any and all notice that may be required for a meeting of the Board of Directors of the Corporation in compliance with the Act and with the articles of incorporation and bylaws of the Corporation and take the following actions:

RESOLVED: Section 7.03 of the Bylaws of the Corporation is amended and restated to read in its entirety, as follows:

Section 7.03. Manager. The Board of Directors may employ for Water Dance a professional management agent or agents as Manager for compensation established by the Board of Directors to perform such duties and services as authorized by the Board of Directors. The Board of Directors may delegate to the Manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these Bylaws, other than the powers set forth in subparagraphs (d), (e), (f), (h), (i) and (p) of Section 7.02 of this Article and duties reserved to the Board by law. Declarant, or an affiliate or employee of Declarant, may be employed as Manager, subject to the limitations of the Act.

As long as required under Section 38-33.3-306(3)(a) or any other provision of the Colorado Common Interest Ownership Act, the following terms will be included in any arrangement for services by the Manager for the Association:

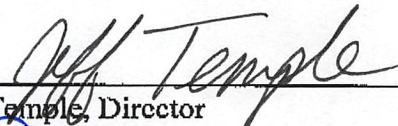
- (I) The Manager shall maintain fidelity insurance coverage or a bond in an amount not less than \$50,000 or such higher amount as the Board may

require;

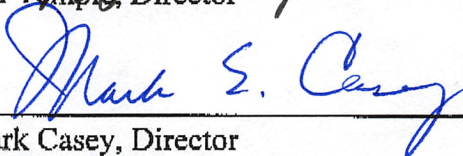
(II) The Manager shall maintain all funds in accounts of the Association separate from the funds in accounts of other associations managed by the Manager and shall maintain all reserve accounts of each association so managed separate from operational accounts of the Association; and

(III) An annual accounting for Association funds and a financial statement shall be prepared and presented to the Association by the Manager, a public accountant, or a certified public accountant.

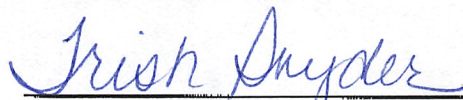
This consent may be executed in counterparts, all of which, taken together, will evidence the action of the Board of Directors of the Corporation. When signed by all the members of the Board, this consent shall be delivered to the secretary of the Corporation and may be certified by the secretary as having been unanimously adopted effective May 26, 1995 by the Board of Directors of the Corporation.



Jeff Temple, Director



Mark Casey, Director



Trish Snyder, Director

RESOLUTION TO AMEND THE BYLAWS OF THE
WATER DANCE ON LAKE DILLON MASTER ASSOCIATION

Whereas, to establish a fair voting requirement for both Project Associations on the Board of Directors of the Water Dance Master Association, and pursuant to the authority provided in the Water Dance Documents, the Board of Directors, on behalf of the Association, resolves that the following provisions be amended in the Master Bylaws:

RESOLVED: Sections 6.03, 6.04, 6.06, and Article XII of the Bylaws of Water Dance on Lake Dillon Master Association are amended and restated to read in their entirety, as follows:

Section 6.03. Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast all of the votes on the Board are present at the beginning of the meeting.

Section 6.04. Actions Binding on Directors. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present will be regarded as the act of the Board.

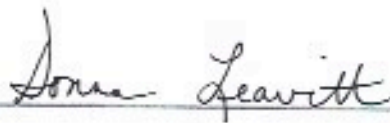
Section 6.06. Action Taken Without a Meeting. The Directors will have the right to take any action which they could take at a meeting in the absence of a meeting if notice is transmitted in writing to each director, with a deadline for response, and each member of the board (by the deadline stated in the notice):

- (1) votes in writing for such action;
- (2) votes in writing against such action;
- (3) abstains in writing from voting; or
- (4) fails to respond or vote and fails to demand in writing that action not be taken without a meeting.

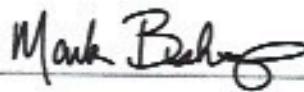
Such action outside a meeting will be valid if the affirmative votes equal or exceed the required number of votes needed for the action to pass at a meeting.

ARTICLE XII AMENDMENTS. These Bylaws may be amended, at a regular or special meeting of the Board, by a majority vote of a quorum of Directors present in person or by proxy, but amendment of Article V, X, XII or any portion of those Articles will require approval of all Directors.

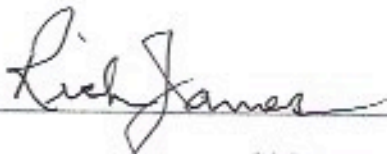
This resolution was passed ^{it} ~~unanimously~~ during a meeting of the Water Dance Master Association Board of Directors held on MARCH 7, 2023, and acknowledged by the signatures of those officers below:



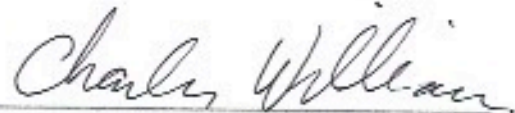
Donna Leavitt, Director



Mark Bishop, Director



Rich James, Director



Charles Williams, Director

RESOLUTION TO AMEND THE BYLAWS OF THE
WATER DANCE ON LAKE DILLON MASTER ASSOCIATION

Whereas, in order to establish an equal representation of both Project Associations on the Board of Directors of the Water Dance Master Association, and pursuant to the authority provided in the Water Dance Documents, the Board of Directors, on behalf of the Association, resolves that the following provisions be amended in the Master Bylaws:

RESOLVED: Sections 5.04 and 5.06 of the Bylaws of Water Dance on Lake Dillon Master Association are amended and restated to read in their entirety, as follows:

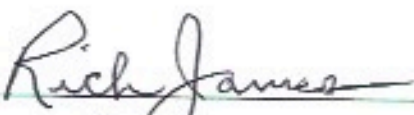
Section 5.04. Election of Directors After Period of Declarant Control. Upon termination of the Period of Declarant Control in accordance with the Declaration, as required in Section 38-33.3-303 of the Act, a special meeting of the Association will be called, at which Declarant will turn control of the Association over to the other Members, represented by the boards of the Project Associations. Any terms of Directors appointed by Declarant that have not expired will terminate at that time. The board of directors of each Project Association then existing in Water Dance will appoint two individuals to serve on the Board of Directors of the Master Association. Subsequently, the Board of Directors of the Water Dance Master Association will consist of four members with each Project Association appointing two directors to serve.

Section 5.06. Term of Office of Directors After Period of Declarant Control. The term of office for the first Board of Directors elected after the Period of Declarant Control will be fixed at the time of their election as they themselves will determine in order to establish a system of three-year terms in which at least one-fourth of the Board is elected each year, and the Board will identify in which year the directorships for each category of representation are subject to election. For example, if the number of Directors on the initial Board is set at three pursuant to Section 5.01 above, one Director will serve for a one-year term, one Director will serve for a two-year term, and one Director will serve for a three-year term. At the expiration of the initial term of office of each respective Director, a successor will be elected to serve three years. Each Director will hold office until such Director's successor is elected as provided above and qualified to take over the office.

This resolution was passed unanimously during an annual meeting of the Water Dance Master Association Board of Directors held on December 19, 2022, and acknowledged by the signatures of those officers below:



Donna Leavitt, Director



Rich James, Director



Mark Bishop, Director