

**RESOLUTION OF THE BOARD OF MANAGERS OF THE
SHADOW MOUNTAIN VILLAGE CONDOMINIUM ASSOCIATION, INC.
REGARDING AMENDMENTS TO THE BYLAWS**

Pursuant to the "Colorado Non-Profit Corporation Act", the undersigned, being members of the Board of Managers of the Shadow Mountain Village Condominium Association, a Colorado non-profit corporation, ("Association") acting in lieu of a special meeting hereby unanimously consent to take the following action which has been approved by at least $\frac{3}{4}$ of the members. These Amendments to the Bylaws have been approved by at least seventy percent (70%) of the Condominium Unit owners as required in the Bylaws.

WHEREAS, the Bylaws of the Corporation are in need of up-dating by amendment to provide for the following:

- (a) a method of giving notice to the members for annual meetings and setting the time frame for annual meetings;
- (b) indemnification of the Managers or Directors and Officers as set forth in the Non-Profit Corporation Act and limitation of liability;
- (c) confirmation of the number of members of the Board of Managers which has ranged from three (3) to seven (7) since the organization of the Corporation;
- (d) clarification of the method of proxy voting and designation of the voting member for each Unit; and
- (e) the procedure for amendment to the Bylaws.

NOW THEREFORE, BE IT RESOLVED THAT the Bylaws are amended as follows:

1. Article II, MEMBERSHIP, VOTING, MAJORITY OR OWNERS, QUORUM, PROXIES, Paragraph 5 shall be amended to read in its entirety and a new subparagraph 6 shall be added as follows:

5. Proxies. Votes may be cast in person or by proxy. If a Unit is owned by more than one person, each unit owner may vote or register protest to the casting of votes by the other Owners of the unit through a duly executed proxy. An owner may not revoke a proxy except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven (11) months after its date, unless it provides otherwise. Upon conveyance by the member of title to his or her unit a proxy shall automatically cease to be effective.

6. Designation of Voting Member. (a) If a unit has only one owner, that person or entity shall have the right to vote with respect to such unit, provided that if the owners is a legal entity, the entity shall designate a voting agent and register his or her

name with the Secretary. Otherwise, the vote may be cast by any person present at a meeting of the unit owner who purports to be the agent of the entity or, if there is more than one such person, the vote must be cast in accordance with their unanimous agreement. There is unanimous agreement if either of the agents casts a vote without prompt protest to the presiding officer of the other agent(s). With respect to mail-in votes, if no designated agent has been registered with the Secretary, the Association is entitled to mail all voting materials, in care of the entity, at its last known address, and may accept whatever voting materials are returned by the entity.

(b) If a unit has more than one owner, the owners may designate a voting agent and register his or her name with the Secretary. If no such registration is made, the vote may be cast by any owner present at a meeting of the unit owners or, if more than one of the owners is present, the vote must be cast in accordance with their unanimous agreement. There is unanimous agreement if any one of the multiple owners casts his units' vote without protest being made promptly to the presiding officer by any other multiple owner. Votes by mail may be cast only through a representative selected by the owners and registered with the association. If no representative is registered with the Association, the Board may send all voting materials to any one owner, who is then entitled to vote on behalf of the unit.

2. Article III. Administration. Paragraph 3 - Annual Meeting and Paragraph 4 - Special Meetings shall be supplemented to include the following Paragraph:

It shall be the duty of the Secretary, which duty may be delegated, to mail a notice of each annual or special meeting to each member of record and to each first mortgagee of record if such first mortgagee has filed a written request for such notice together with a current address with the Secretary at least ten (10) days prior to any such meeting. The notice shall state the purpose of the proposed meeting or that it is a regular meeting, as well as the day, hour and place where it is to be held. Each notice must be sent by first class mail, postage prepaid, not less than ten (10) days nor more than fifty (50) days prior to the date of the proposed meeting. The notice may set forth time limits for speakers and nominating procedures for the meeting. The notice of any meeting must state the time and place of the meetings and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws any budget changes, and any proposal to remove an officer or members of the Board of Managers.

3. Article III Paragraph 3, Annual Meeting shall be further supplemented by the addition of the following language:

The annual meeting of the Association shall be held annually as set by the Board of Managers from time to time and in no event more than fifteen (15) months from the time of the previous meeting.

4. Article IV, BOARD OF MANAGERS, Paragraph 1 and Paragraph 3 (o) shall be amended as follows:

1. Number and Qualifications. The affairs of this Association shall be governed by a Board of Managers (sometimes referred to as "Directors") composed of five persons.

3. Other Powers and Duties (o). In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership, including without limitation, the Board may, by resolution, from time to time designate such committees as it shall desire and may establish the purposes and powers of each such committee created. The resolution establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the committee, the specific powers delegated to it, and shall provide for such reports, termination, and other administrative matters as the Board deems appropriate.

5. Article VI INDEMNIFICATION OF OFFICERS AND MANAGERS shall be amended to read in its entirety as follows:

1. Indemnification. Any person who is or was a Director or Manager, officer, employee, fiduciary, or agent of the Association or is or was serving at the request of the Association as a director, manager, officer, employee, fiduciary, or agent of another corporation, partnership, joint venture, trust, or other enterprise and who was or is a party or threatened to be made a party to any threatened; pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was serving in such capacity, may be indemnified by the Association to the extent and in the manner described herein. The indemnification authorized by this Section shall continue as to any person who has ceased to be a director, manager, officer, employee, fiduciary, or agent and shall inure to the benefit of the heirs, executors, and administrators of such person.

(a) The Association shall indemnify such person against expenses, including reasonable attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in such proceeding (other than an action brought by or in the right of the Association) if he or she acted in good faith and in a manner he or she reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(c) In any threatened, pending or completed action by or in the right of the Association to procure a judgment in its favor against such person, the Association shall indemnify such person against expenses, including reasonable attorneys' fees, actually and reasonably incurred by him in connection with the defense or settlement of such action, if he or she acted in good faith and in a manner he or she reasonably

believed to be in the best interest of the Association. The Association shall not indemnify such person if he or she shall have been adjusted to be liable for negligence or misconduct in the performance of his or her duty to the Association unless and only to the extent the court in which such action was brought determines upon application that such person is fairly and reasonably entitled to such indemnity for such expenses as the court shall deem proper.

(d) Any indemnification authorized under subparagraph (b) and (c) unless ordered by a court) shall be made only upon a determination that such person has met the standard of conduct set forth in such subparagraphs. Such determination shall be made by a majority of a quorum of disinterested directors or managers, so if a disinterested quorum is not available, or even if obtainable, if a quorum of disinterested directors or managers so directs, by independent legal counsel chosen by the Board of Managers in a written opinion, or by vote of the majority of the members or unit owners.

(e) Expenses (including reasonable attorney's fees) incurred in defending such proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized in subparagraph (d) upon receipt of an undertaking by or on behalf of such person to repay such amount unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association.

The Association shall also have the power to purchase and maintain insurance on behalf of any person who is or was a director, manager, officer, employee, fiduciary, or agent of the Association or is serving at the request of the Association in said capacity or a similar capacity of or arising out of his status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Section.

The rights of indemnification under this Section shall be in addition to rights which such person may otherwise be lawfully entitled. Nothing herein shall be construed to expand the standard of care of the Board of Managers and Officers of the corporation and concerns only the power of indemnification. No member of the Board of Directors or Managers and no officer shall be liable for actions taken or omissions made in the performance of such members' duties except for wanton and wilful acts or omissions.

2. Limitation of Liability. The Board of Managers shall not be liable for any failure of any service to be obtained and paid for by the Board hereunder, or for injury or damage to person or property caused by the elements or by another Owner or person, unless caused by the wilful and wanton acts or omissions of the Board. No diminution of abatement of common expense assessments shall be claimed or allowed for inconveniences or discomfort arising for the making of repairs or improvements

to the common elements or from any action taken by the Board to comply with any law, ordinance, or order of a governmental authority.

6. Article VIII, Paragraph 1 shall be amended to read as follows:

These Bylaws may be amended by the Board of Managers and no Amendment shall take effect unless approved by a majority of the unit owners entitled to vote.

7. Article X, Paragraph 2 shall be amended to add the following sentence to the end of the last sentence:

The requirements contained in this Article shall be first met before an owner of a unit shall be deemed in good standing and entitled to vote at any annual or special meeting of the members.

8. Article X, Paragraph 3 shall be deleted in its entirety as similar provisions have been provided for herein at Article II by this Amendment to the Bylaws.

ADOPTED THIS _____ DAY OF _____; EFFECTIVE _____

ATTEST:

SECRETARY

BOARD OF MANAGERS:



Mark Mendel

Thomas Kann

Jim Ellis

Robert Konstam

Harold Lyman