

**AMENDED AND RESTATED
BYLAWS
OF
THE CENTENNIAL OWNERS' ASSOCIATION**

TABLE OF CONTENTS

ARTICLE 1 INTRODUCTION AND PURPOSES 1

 Section 1.1 Introduction..... 1

 Section 1.2 Purposes..... 1

ARTICLE 2 DEFINITIONS..... 2

 Section 2.1 Act..... 2

 Section 2.2 Assessment..... 2

 Section 2.3 Association..... 2

 Section 2.4 Board or Board of Managers or Executive Board..... 2

 Section 2.5 Common Elements..... 2

 Section 2.6 Common Expenses..... 3

 Section 2.7 Community or The Centennial Condominiums Community..... 3

 Section 2.8 Declaration..... 3

 Section 2.9 Governing Documents..... 3

 Section 2.10 Member..... 3

 Section 2.11 Owner..... 3

 Section 2.12 Property..... 3

 Section 2.13 Unit..... 4

ARTICLE 3 MEMBERSHIP AND VOTING..... 4

 Section 3.1 Membership and Voting..... 4

 Section 3.2 Suspension of Voting Rights..... 4

 Section 3.3 Member Voting..... 4

 Section 3.4 Transfer of Membership..... 5

ARTICLE 4 MEETINGS OF MEMBERS..... 5

 Section 4.1 Annual Meetings..... 5

 Section 4.2 Budget Meetings..... 5

 Section 4.3 Special Meetings..... 6

 Section 4.4 Notice of Meetings..... 6

 Section 4.5 Place of Meetings..... 7

 Section 4.6 Quorum of Members..... 7

 Section 4.7 Proxies for Members Meetings..... 7

 Section 4.8 Order of Business..... 8

 Section 4.9 Waiver of Objection of Notice..... 8

 Section 4.10 Voting Procedures/Secret Balloting..... 8

 Section 4.11 Voting by Mail or Electronic Means..... 8

 Section 4.12 Voting in Elections of Managers/Other Voting..... 9

 Section 4.13 Acceptance or Rejection of Individual Votes..... 9

 Section 4.14 Counting of Ballots..... 9

ARTICLE 5 BOARD..... 9

 Section 5.1 Number..... 9

 Section 5.2 Qualification..... 10

 Section 5.3 Term of Office for Managers..... 11

 Section 5.4 Resignation of Managers..... 11

 Section 5.5 Removal of Managers..... 11

Section 5.6	Vacancies.....	11
Section 5.7	Compensation.....	12
ARTICLE 6	MEETINGS OF MANAGERS.....	12
Section 6.1	Regular Meetings.....	12
Section 6.2	Special Meetings.....	12
Section 6.3	Organizational Meeting.....	12
Section 6.4	Notice of Board Meetings.....	12
Section 6.5	Location of Meetings and Open Meetings.....	13
Section 6.6	Waiver of Notice.....	13
Section 6.7	Quorum.....	13
Section 6.8	Proxies for Board Meetings.....	13
Section 6.9	Consent to Corporate Action.....	13
Section 6.10	Telephone or Electronic Communication in Lieu of Attendance.....	14
Section 6.11	Unit Owner Participation.....	14
ARTICLE 7	POWERS AND DUTIES OF THE BOARD OF MANAGERS.....	15
Section 7.1	Powers and Duties.....	15
Section 7.2	Managing Agent.....	16
Section 7.3	No Waiver.....	16
Section 7.4	Execution of Financial Instruments.....	16
ARTICLE 8	OFFICERS AND THEIR DUTIES.....	16
Section 8.1	Enumeration of Offices.....	16
Section 8.2	Election of Officers.....	17
Section 8.3	Special Appointments.....	17
Section 8.4	Resignation and Removal.....	17
Section 8.5	Vacancies.....	17
Section 8.6	Duties.....	17
Section 8.7	Delegation.....	18
ARTICLE 9	COMMITTEES.....	18
Section 9.1	Designated Committees.....	18
Section 9.2	Open Committee Meetings.....	18
ARTICLE 10	BOOKS AND RECORDS.....	18
Section 10.1	Association Records.....	18
Section 10.2	Minutes and Presumptions Under the Minutes.....	19
Section 10.3	Examination.....	19
ARTICLE 11	AMENDMENTS.....	19
Section 11.1	Bylaw Amendments.....	19
ARTICLE 12	INDEMNIFICATION.....	20
Section 12.1	Obligation to Indemnify.....	20
Section 12.2	Determination Required.....	21
Section 12.3	Payment in Advance of Final Disposition.....	21
Section 12.4	No Limitation of Rights.....	21
Section 12.5	Managers and Officers Insurance.....	21
ARTICLE 13	MISCELLANEOUS.....	22
Section 13.1	Fiscal Year.....	22
Section 13.2	Notices.....	22

Section 13.3 Conflicts..... 22
Section 13.4 Waiver..... 22

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OF
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RECITALS

The Centennial Owners' Association, a Colorado nonprofit corporation ("Association"), certifies that:

- (1) The Association and its Members desire to amend and restate the Bylaws currently in effect as set forth below.
- (2) The provisions set forth in these Amended and Restated Bylaws supersede and replace the existing Bylaws and all amendments.

The Bylaws of the Association are hereby amended by striking in their entirety Articles 1 through 12, inclusive, and by substituting the following:

ARTICLE 1 INTRODUCTION AND PURPOSES

Section 1.1 Introduction.

These Amended and Restated Bylaws are adopted for the regulation, management and governance of the affairs of the Association. The Association was organized as a Colorado nonprofit corporation under Colorado law to act as the Association under the Condominium Declaration for The Centennial Condominium, as may be amended (the "Declaration").

Section 1.2 Purposes.

The purposes for which the Association is formed are:

- (a) to protect the value and desirability of The Centennial Condominiums community (the "Community") and the Units;
- (b) to further the interests of the residents of the Community and Members of the Association;
- (c) to be the owners association provided for in the Declaration;
- (d) to operate and govern the Community;

(e) to provide for the administration, maintenance, preservation and architectural review of the Units and Common Elements within the Community; and

(f) to promote the health, safety, welfare and recreation of the Owners within the Community.

ARTICLE 2 DEFINITIONS

In supplement of the definitions provided for in the Declaration, the following terms shall have the meaning set forth below, unless the context requires otherwise:

Section 2.1 Act

“Act” shall mean the Colorado Common Interest Ownership Act, *C.R.S. §38-33.3-101 et. seq.*, as it may be amended.

Section 2.2 Assessment

“Assessment” shall include all Common Expense Assessments and any other expense levied to Units pursuant to or allowed under the Declaration or the Act, including interest, late fees, attorney fees, fines and costs.

Section 2.3 Association

“Association” shall mean and refer to The Centennial Owners' Association, and its successors and assigns.

Section 2.4 Board or Board of Managers or Executive Board

“Board” or “Board of Managers” or “Executive Board” shall mean the body designated in the Governing Documents to act on behalf of the Association.

Section 2.5 Common Elements

“Common Elements” shall mean the Property within this Community other than the Units, which portion of the Property may be designated on the Map and in the Declaration. Common Elements shall include Limited Common Elements. The Common Elements shall be owned, as tenants in common, by the Owners of the separate Units, each owner of a Unit having an undivided interest in the Common Elements.

Section 2.6 Common Expenses

“Common Expenses” shall mean expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves.

Section 2.7 Community or The Centennial Condominiums Community

“Community” or “The Centennial Condominiums Community” shall mean The Centennial Condominiums Condominium Community, as further defined by the recorded Condominium Map and the Declaration.

Section 2.8 Declaration

“Declaration” shall mean and refer to the Condominium Declaration for The Centennial Condominium, as may be amended, applicable to the Property recorded in the office of the Clerk and Recorder of Pitkin, Colorado.

Section 2.9 Governing Documents

“Governing Documents” shall mean the Declaration, the Map, the Articles of Incorporation, the Bylaws and Rules and Regulations of The Centennial Owners' Association, as they may be amended.

Section 2.10 Member

“Member” shall mean any Owner. The terms “Member” and “Owner” may be used interchangeably.

Section 2.11 Owner

“Owner” shall mean the owner of record title, whether one or more persons or entities to any Unit which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 2.12 Property

“Property” shall mean the property described in or which is subject to the Declaration together with all easements, rights, and appurtenances thereto and the buildings and improvements erected or to be erected thereon.

Section 2.13 Unit

“Unit” shall mean a physical portion of the Community, designated for separate ownership, shown as a Unit on the recorded Map for the Community, the boundaries of which are defined in the Map and in the Declaration.

ARTICLE 3 MEMBERSHIP AND VOTING

Section 3.1 Membership and Voting.

Every person who is an Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Unit. Ownership of a Unit shall be the sole qualification for membership. Voting shall be as set forth in Exhibit B of the Declaration. Fractional and cumulative voting are prohibited.

Section 3.2 Suspension of Voting Rights.

During any period in which an Owner shall be in default in the payment of any Common Expense Assessment, including interest, fines, late fees, attorney fees and costs, levied by the Association, the voting rights of the Owner shall be deemed suspended by the Board of Managers, without notice or hearing, until the Assessment has been paid. Voting rights and use rights of an Owner may also be suspended for a period not to exceed 60 days or during any period of violation of any other provision of the Governing Documents, whichever is greater. Any Owner attempting to cure a default within 10 days of any election shall provide certified funds to the Association.

Section 3.3 Member Voting.

(a) At all meetings of Members, each Member eligible to vote may vote in person or by proxy.

(b) If only one of several Owners of a Unit is present at a meeting of the Association, the Owner present is entitled to cast the vote allocated to such Unit.

(c) If more than one of the Owners is present, the vote allocated to the Unit may be cast only in accordance with the agreement of a majority of those Owners. Majority agreement exists if any one of the Owners casts the vote allocated to the Unit without protest being made promptly to the person presiding over the meeting by another Owner of the Unit. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted.

(d) The vote of a corporation or business trust may be cast by any officer of that corporation or business trust in the absence of express notice of the designation of a specific person by the Board of Managers or bylaws of the owning corporation or business trust.

(e) The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership.

(f) The chair of the meeting may require reasonable evidence that a person voting on behalf of a corporation, partnership or business trust Owner is qualified to vote.

(g) Votes allocated to Units owned by the Association may be cast by the Board.

Section 3.4 Transfer of Membership.

Transfers of membership shall be made on the books of the Association only upon presentation of evidence, satisfactory to the Association, of the transfer of ownership of the Unit to which the membership is appurtenant.

ARTICLE 4 MEETINGS OF MEMBERS

Section 4.1 Annual Meetings.

An annual meeting of the Members shall be held during each of the Association's fiscal years, at such time of the year and date as determined by the Board. The Managers shall be elected by the Members at the annual meeting, in accordance with the provisions of these Bylaws. The Members may transact other business as may properly come before them at the annual meeting. Failure to hold an annual meeting shall not be considered a forfeiture or dissolution of the Association.

Section 4.2 Budget Meetings.

Meetings to consider proposed budgets shall be called in accordance with the Act. The Act's budget process to be followed is as follows:

(a) The Board of Managers of the Association is to prepare and approve a proposed budget at least annually.

(b) Within 90 days after the Board of Manager's adoption of the proposed budget, or such longer time as allowed by the Act, the Board of Managers must mail or deliver a summary of the proposed budget to all Members and set a date for a meeting to consider the proposed budget.

(c) Notice for the meeting at which the budget will be considered must be mailed not less than 10 days nor more than 50 days before the meeting, or such longer time as allowed by the Act.

(d) At the meeting, unless Owners holding a majority of the votes in the Association vote to reject the proposed budget, the proposed budget becomes the approved budget of the Association.

(e) A quorum is not required at the meeting if the meeting is just a budget meeting. If the meeting is also an annual or special meeting at which other business is to be conducted, a quorum is required for other business to be conducted at the annual or special meeting, but not for consideration of the budget.

(f) In the event the proposed budget is rejected by a majority vote, the budget last ratified is continued until such time as a subsequent budget proposed by the Board of Managers is ratified.

Section 4.3 Special Meetings.

Special meetings of the Association may be called by the president, by a majority of the members of the Board of Managers or by the secretary upon receipt of a petition signed by Owners holding at least 20% of the votes in the Association. The form of notice, date, time and place of the meeting shall be determined by the Board. If a notice for a special meeting demanded pursuant to petition is not given by the secretary within 30 days after the date the written demand or demands are delivered to the secretary, the person(s) signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of these Bylaws. Any meeting called under this Section shall be conducted by the president of the Board, or in his/her absence, a person chosen by a majority of the Board.

Section 4.4 Notice of Meetings.

Notice of each meeting of the Members shall be physically posted in a conspicuous place if feasible and practicable at least 24 hours prior to any meeting of the Members. Written notice of each meeting of Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by personal delivery, at least 10 days before, but not more than 50 days before the meeting to each Member, addressed to the Member's address last appearing on the books of the Association, or supplied by a Member to the Association for the purpose of notice. In addition to mailing, but not in lieu of, notice may also be sent by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, facsimile and e-mail delivery. If the Association has the ability to give electronic notice, the Association shall e-mail notice of the Members' meeting to any Member who requests, and who provides his or her e-mail address to the Association in addition to the above specified delivery of notice. Any such e-mail notice shall be given at least 24 hours prior to the meeting. The notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting. No matters shall

be heard nor action adopted at a special meeting except as stated or allowed in the notice.

Section 4.5 Place of Meetings.

Meetings of the Members shall be held in The Centennial Condominiums Community, or in any other location in the Pitkin County area, and may be adjourned to a suitable place convenient to the Members, as may be designated by the chair of the meeting.

Section 4.6 Quorum of Members.

The presence of 20% of the Members eligible to vote at any meeting, in person or by proxy, shall constitute a quorum for any action except as otherwise provided in the Governing Documents. If the required quorum is not present, the Members who are present shall have power to adjourn the meeting from time to time to a later date, until such time as a quorum shall be present. If adjourned, notice of the new date, time or place need not be given if the new date, time or place is announced at the meeting before adjournment.

Section 4.7 Proxies for Members Meetings.

(a) The vote allocated to a Unit may be cast under a proxy duly executed by an Owner.

(b) All proxies shall be in writing and filed with the secretary or designee of the Association.

(c) If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of the vote by the other Owners of the Unit through a duly executed proxy. In the event of disagreement between or among co-Owners and an attempt by two or more of them to cast such vote or votes, such vote or votes shall not be counted.

(d) An Owner may revoke a proxy given under this section by written notice of revocation to the person presiding over a meeting of the Association.

(e) A proxy is void if it is not dated.

(f) A proxy terminates 11 months after its date, unless it specifies a shorter term or a specific purpose, or upon sale of the Unit for which the proxy was issued.

(g) Proxies obtained through fraud or misrepresentation are invalid as determined in the sole discretion of the Secretary of the Association.

Section 4.8 Order of Business.

The Board may establish the order of business for all meetings of the Board or Members. Failure to strictly follow Robert's Rules of Order shall not invalidate any action taken at a meeting of the Board or Members.

Section 4.9 Waiver of Objection of Notice.

A Member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the Member, at the beginning of the meeting, objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice. Further, a Member's attendance at a meeting waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the Member objects to considering the matter when it is presented.

Section 4.10 Voting Procedures/Secret Balloting.

- (a) Secret ballots, if required by law, must be used in contested Board member elections and in any other matter as required or allowed by law.
- (b) All other voting may be by voice, by show of hands, by consent, by mail, by electronic means, by proxy, by written ballot, or as otherwise determined by the Board of Managers prior to the meeting or by a majority of the Members present at a meeting.

Section 4.11 Voting by Mail or Electronic Means.

- (a) In case of a vote by mail or electronic means in lieu of a meeting, the secretary shall mail or deliver written notice to all Members at each Member's address as it appears in the records of the Association given for notice purposes. The notice shall include: (i) a proposed written resolution setting forth a description of the proposed action, (ii) a statement that Members are entitled to vote by mail or electronic means for or against such proposal, (iii) a date at least 10 days after the date such notice shall have been given on or before which all votes must be received at the office of the Association at the address designated in the notice, and (iv) the number of votes which must be received to meet the quorum requirement and the percentage of votes received needed to carry the vote. Voting by mail or electronic means shall be acceptable in all instances in the Governing Documents requiring the vote of Members at a meeting.
- (b) The Association may conduct elections of Managers by mail or electronic means, in its sole discretion, and pursuant to procedures adopted by it; *provided however*, that any procedures adopted shall provide for notice to Members of the opportunity to run for a vacant position and/or nominate any Member of the Association for a vacant position, subject to the nominated Member's consent.

Section 4.12 Voting in Elections of Managers/Other Voting.

In an election of Managers, the Members receiving the largest number of votes shall be elected. On all other items, the vote of more than 50% of Members represented at a meeting at which at least a quorum is present shall constitute a majority and shall be binding upon all Members for all purposes except where a higher percentage vote is required in the Governing Documents, as amended, or by law.

Section 4.13 Acceptance or Rejection of Individual Votes.

The Association has the right to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation when it has a reasonable, good faith basis to doubt the validity of the signature or the signatory's authority to sign for the Owner. The Association and its officer or agent who accepts or rejects any of the above in good faith is not liable for any damages that may result from the acceptance or rejection. Unless a court decides otherwise, any action taken on the acceptance or rejection of any of the above will be deemed valid.

Section 4.14 Counting of Ballots.

All ballots shall be counted by a neutral third party, or a committee of volunteers who are not Board members and not candidates in a contested election, selected or appointed at an open meeting in a fair manner by the chair of the Board or person presiding at such meeting or as otherwise required by law and as may be further defined by policy or procedures of the Association.

ARTICLE 5 BOARD

Section 5.1 Number.

The affairs of the Association shall be governed by a Board of Managers which shall consist of not less than five nor more than nine members, elected or appointed as provided below (the "Board"). The exact number of Managers may be changed by a duly adopted written resolution of the Board of Managers; provided, however, staggered terms of Managers shall be preserved. Notwithstanding anything herein, the Board may only eliminate a Manager's position at the end of the Manager's term unless the position is vacant. In the case where through removal or resignation, the total number of Board members is less than three, the Board will be considered properly constituted until such vacancies are filled. The number of members of the Board may be increased or decreased by amendment of these Bylaws.

Section 5.2 Qualification.

- (a) Only Owners eligible to vote, current in the payment of Assessments and otherwise in good standing, may be elected to, or appointed to fill a vacancy on the Board. Notwithstanding the preceding, it is specifically permissible for two owners of a Unit to serve on the board simultaneously.
- (b) If any Unit is owned by a partnership, corporation or trust, any officer, partner, trustee or employee of that entity shall be eligible to serve as a Manager and shall be deemed to be a Member for the purposes of these Bylaws.
- (c) Any Manager who is more than 60 days delinquent in payment of any Assessment shall not be qualified to serve on the Board.
- (d) Any Manager who has unexcused absences from three consecutive Board meetings shall not be qualified to serve on the Board. An absence will be excused if the absent Board member notifies the Board president of the planned absence and the reason for the absence at least three days before the meeting, and a majority of the remaining Board members approve the absence as being for a valid purpose.
- (e) Any Manager who is in violation of any provision of the Governing Documents of the Association for more than 60 days shall not be qualified to serve on the Board.
- (f) Any Manager who maintains an adversarial proceeding of any type against the Association shall not be qualified to serve on the Board for the duration of the proceeding.
- (g) Any Manager who discloses confidential information acquired by virtue of his or her position on the Board shall not be qualified to serve on the Board. Information will be deemed "confidential" if a majority of the Board of Managers determines, in its sole discretion, that it is confidential prior to the disclosure. The Board may also adopt rules, regulations, policies, and/or procedures further addressing confidentiality.
- (h) Once elected or appointed, each Manager may attend at least one educational program per year related to the management, operation or law of community associations. The Manager shall be entitled to reimbursement of any actual or necessary expenses incurred in attending such educational program(s), as long as approved, in advance, by the Board of Managers. Any such expenses shall be treated as a Common Expense.
- (i) If a Manager is not qualified to serve on the Board, the Manager's position shall be deemed vacant.

Section 5.3 Term of Office for Managers.

The term of office of Managers shall be three years. The terms of the Managers shall be staggered. The terms of at least 1/3 of the Managers shall expire annually. According to the Condominium Act, terms of at least 1/3 of the Managers for condominium communities must expire annually. Therefore, if the Board consists of 4, 5, 7, 8, 10 or 11 members, the maximum term cannot exceed two years. For a Board of 3, 6, 9 or 12, terms can be three years. Please note that unless a Manager resigns or is removed, the Colorado Revised Nonprofit Corporation Act requires a Manager to serve until a successor is elected or appointed, despite the expiration of such Manager's term.

Section 5.4 Resignation of Managers.

Any Manager may resign at any time by giving written notice to the president, to the secretary or to the Board of Managers stating the effective date of the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

Section 5.5 Removal of Managers.

(a) One or more Managers or the entire Board of Managers may be removed at a Special Meeting of Members called pursuant to these Bylaws, with or without cause, by a vote of a majority of all Members. Notice of a Special Meeting of the Members to remove Managers shall set forth that the meeting is being conducted for that purpose and shall be provided to every Member of the Association, including the Managers sought to be removed, as provided in these Bylaws. Managers sought to be removed shall have the right to be present at this meeting and shall be given the opportunity to speak to the Members prior to a vote to remove being taken.

(b) In the event of removal of one or more Managers, a successor shall be elected by the Members at the meeting to serve for the unexpired term of his or her predecessor.

Section 5.6 Vacancies.

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

Section 5.7 Compensation.

No Manager shall receive compensation for any service the Manager may render as a Manager to the Association. However, any Manager may be reimbursed for actual expenses incurred in the performance of Association duties and/or provided a stipend, if allowed by state law.

ARTICLE 6 MEETINGS OF MANAGERS

Section 6.1 Regular Meetings.

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

Section 6.2 Special Meetings.

Special meetings of the Board of Managers shall be held when called by the president of the Association, or by any two Managers, after not less than three days' notice to each Manager.

Section 6.3 Organizational Meeting.

The first meeting of the Board of Managers following an annual meeting of the Association shall be held within 30 days thereafter at such time and place as shall be fixed by the Association at the meeting at which such Board of Managers shall have been elected, and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting, providing a majority of the whole Board of Managers is present at the meeting.

Section 6.4 Notice of Board Meetings.

Except as provided in Section 6.1 above or below, written notice of each meeting of the Board shall be given by, or at the direction of, the secretary, by mailing a copy of the notice, postage prepaid, at least three days before the meeting, or by any other means permitted by the Colorado Revised Nonprofit Corporation Act, including, but not limited to, personal delivery, facsimile, and e-mail delivery, to each Board member entitled to vote, addressed to the Board member's address last appearing on the books of the Association, or supplied by a Board member to the Association for the purpose of notice. If a notice for a special meeting demanded pursuant to Section 6.2 is not given by the Board within 30 days after the date the written demand or demands are delivered to the Board, the Managers signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the above terms of Section 6.3 of these Bylaws. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6.5 Location of Meetings and Open Meetings.

(a) All meetings of the Board of Managers shall be open to attendance by Members, as provided by applicable Colorado law. (b) All meetings of the Board of Managers shall be held in the Community or in the Pitkin County or Aspen area, unless all Managers consent in writing to another location. (c) All meetings of the Board of Managers may be conducted in person, via conference call, via electronic means, or via any other method permitted by applicable Colorado law. (d) Rules and Regulations may be adopted in open meetings of the Board, and may not be adopted in closed or executive sessions of the Board. (e) For any executive session or closed Board meeting, minutes kept for that part of the meeting should only indicate that an executive session was held and the general subject of the executive session.

Section 6.6 Waiver of Notice.

Any Manager may waive notice of any meeting in writing. Attendance by a Manager at any meeting of the Board shall constitute a waiver of notice. If all the Managers are present at any meeting, no notice shall be required, and any business may be transacted at the meeting.

Section 6.7 Quorum.

At all meetings of the Board a majority of the Managers currently in office shall constitute a quorum for the transaction of business. The votes of a majority of the Managers present at a meeting at which a quorum is present shall constitute a decision of the Board unless there are fewer than three Managers, in which case, unanimity of the Managers is required to constitute a decision of the Board. If at any meeting there shall be less than a quorum present, a majority of those present may adjourn the meeting.

Section 6.8 Proxies for Board Meetings.

For the purposes of determining a quorum with respect to a particular issue and for the purposes of casting a vote for or against that issue, a Manager may execute, in writing, a proxy to be held by another Manager. The proxy shall specify a yes, no, or abstain vote on each particular issue for which the proxy was executed. Proxies which do not specify a yes, no, or abstain vote shall not be counted for the purpose of having a quorum present nor as a vote on the particular issue before the Board.

Section 6.9 Consent to Corporate Action.

The Managers shall have the right to take any action, except the adopting of a rule or regulation, in the absence of a meeting, which they could otherwise have taken at a meeting, by:

- (a) Obtaining the unanimous verbal vote of all Managers which vote shall be noted in the minutes of the next meeting of the Board and ratified at that time; or

(b) Providing written notice to each Manager of a proposed action to be taken. Such notice shall include the date and time by which the Managers must respond to the proposed action and shall state that failure to respond by the time stated in the notice will have the same effect as abstaining in writing to a proposed action and failing to demand in writing that action not be taken without a meeting. Upon receiving written notice of a proposed action, each Manager, by the date and time provided for in such notice, may: (i) vote in writing for such action; (ii) vote in writing against such action; (iii) abstain in writing from voting; (iv) fail to respond or vote; or (v) demand in writing that action not be taken without a meeting.

(1) In the event a sufficient number of affirmative votes for the proposed action, pursuant to these Bylaws, are cast in writing and not revoked by the time stated in the notice for such proposed action, the Board may take such action unless one or more Managers demands that the action not be taken without a meeting. In the event action is taken pursuant to this provision, the action shall be noted in the minutes of the next meeting of the Board and ratified at that time.

(2) Any Manager who in writing has voted, abstained, or demanded action not be taken without a meeting pursuant to this Section may revoke such vote, abstention, or demand in writing; provided such revocation is received by the Association by the time and date stated in the notice for such proposed action. A Manager's right to demand that action not be taken without a meeting shall be deemed to have been waived unless the Association receives such demand from the Manager in writing by the time stated in the notice for such proposed action and such demand has not been revoked.

(c) Any action taken under subsections (a) and (b)(1) above shall have the same effect as though taken at a meeting of the Managers and shall be effective at the end of the time stated in the notice for such proposed action.

Section 6.10 Telephone or Electronic Communication in Lieu of Attendance.

A Manager may attend a meeting of the Board by using an electronic or telephonic communication method whereby the Manager may be heard by the other Members and may hear the deliberations of the other Members on any matter properly brought before the Board. The Manager's vote shall be counted and the presence noted as if that Manager were present in person.

Section 6.11 Unit Owner Participation.

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

ARTICLE 7 POWERS AND DUTIES OF THE BOARD OF MANAGERS

Section 7.1 Powers and Duties.

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

- (a) Exercise any other powers conferred by the Governing Documents;
- (b) Adopt and amend Rules and Regulations, including responsible governance policies, procedures and rules and regulations as required by the Act, and including penalties for infraction thereof;
- (c) Adopt and amend budgets (subject to any requirements of the Declaration and the Bylaws);
- (d) To keep and maintain full and accurate books and records showing all of the receipts, expenses, or disbursements of the Association;
- (e) Collect Assessments as provided by the Governing Documents;
- (f) Employ a managing agent, independent contractors or employees as it deems necessary, and prescribe their duties;
- (g) Institute, defend or intervene in litigation or administrative proceedings or seek injunctive relief for violations of the Governing Documents, and, in the Association's name, on behalf of the Association or two or more Owners, on matters affecting the Community;
- (h) Provide Association disclosures required by, and pursuant to, the Act;
- (i) Make contracts, administer financial accounts and incur liabilities in the name of the Association;
- (j) Acquire, hold, encumber and convey, in the Association's name and in the ordinary course of business, any right, title or interest to real estate, pursuant to the consent requirements set forth in the Governing Documents, if any;
- (k) Borrow funds and secure loans with an interest in future Assessments in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Managers may deem necessary and give security therefore, subject to the requirements set forth in the Declaration;
- (l) Provide for the indemnification of the Association's Managers and any person serving without compensation at the request of the Association, and maintain association professional liability insurance;

- (m) Supervise all persons acting on behalf of and/or at the discretion of the Association;
- (n) Procure and maintain liability and hazard insurance as set forth in the Governing Documents;
- (o) Cause all persons having fiscal responsibilities for the assets of the Association to be insured and/or bonded, as it may deem appropriate;
- (p) Provide education to Owners on an annual basis; and
- (q) Exercise for the Association all powers, duties, rights and obligations in or delegated to the Association and not reserved to the membership by other provisions of the Governing Documents or the Act.

Section 7.2 Managing Agent.

The Board may employ a managing agent for the Community, at a compensation established by the Board, to perform duties and services authorized by the Board. The Board shall have the authority to delegate any of the powers and duties set forth in this Article to a managing agent. Regardless of any delegation to a managing agent, the members of the Board shall not be relieved of responsibilities under the Governing Documents or Colorado law.

Section 7.3 No Waiver.

The omission or failure of the Association or Owner to enforce the covenants, conditions, easements, uses, limitations, obligations, or other provisions of the Governing Documents shall not constitute or be deemed a waiver, modification, or release thereof, and the Board or the managing agent shall have the right to enforce the same at any time.

Section 7.4 Execution of Financial Instruments.

All agreements, contracts, deeds, leases, checks, and other instruments or obligations may be executed by persons designated by the Board of Managers. All such instruments for expenditures or obligations from the reserve account shall be executed by two person's designated by the Board of Managers.

ARTICLE 8 OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices.

The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Managers, a secretary and a treasurer, who are not required to be Managers but shall be required to be Owners, and such other officers as the Board may from time to time create by resolution. Any two offices, except the offices of president and secretary, may be held by the same person.

Section 8.2 Election of Officers.

The officers shall be elected by the Board for one year terms at the first meeting of the Board of Managers following each annual meeting of the Members.

Section 8.3 Special Appointments.

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

Section 8.4 Resignation and Removal.

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

Section 8.5 Vacancies.

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

Section 8.6 Duties.

The duties of the officers are as follows:

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

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

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

(d) Treasurer. The treasurer shall be responsible for the receipt, deposit and disbursement of Association funds and securities and for maintenance of full and accurate financial records; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership, and deliver a copy of each to the Members. The treasurer shall perform all duties incident to the office of treasurer and such other duties as may be assigned by the Board of Managers.

Section 8.7 Delegation.

The duties of any officer may be delegated to the managing agent or another Board member; *provided, however*, the officer shall not be relieved of any responsibility under this Section or under Colorado law.

ARTICLE 9 COMMITTEES

Section 9.1 Designated Committees.

The Association may create committees and appoint such committee members as deemed appropriate in carrying out its purposes, including a Covenants Committee and a Nominating Committee. Committee chair persons must meet the same qualifications to serve as Board members must meet to serve on the Board, as set forth in these Bylaws. Committees shall have authority to act only to the extent designated in the Governing Documents or delegated by the Board. The Board shall also have the power to remove any and all committee members with or without cause and to terminate any such committee.

Section 9.2 Open Committee Meetings.

All committee meetings shall be open to attendance by Members, as provided by applicable law.

ARTICLE 10 BOOKS AND RECORDS

Section 10.1 Association Records.

The Association records will be available for production to Owners in accordance with statutory requirements, which may be clarified further in a policy adopted by the Board of Managers.

Section 10.2 Minutes and Presumptions Under the Minutes.

Minutes or any similar record of the meetings of Members, or of the Board of Managers, when posted, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 10.3 Examination.

The Association records shall at all times, during normal business hours and after at least ten days written notice, or at the next scheduled Board meeting if within 30 days of written request, be subject to inspection and copying by any Member, at his or her expense, except documents determined by the Board to be withheld under the inspection of records policy of the Association in accordance with the Act. Any Owner's request to inspect and copy Association records must describe with reasonable particularity what records are requested. The Association may charge the actual costs for copying of the records, as clarified further in its inspection of records policy.

ARTICLE 11 AMENDMENTS

Section 11.1 Bylaw Amendments.

(a) These Bylaws may be amended by:

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

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

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

ARTICLE 12 INDEMNIFICATION

Section 12.1 Obligation to Indemnify.

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

- (i) acted in good faith, and;
- (ii) in a manner that the person reasonably believed to be in the best interests of the Association, and;
- (iii) with respect to any claimed criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

The determination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner reasonably believed to be in the best interests of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful.

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

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

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

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

Section 12.2 Determination Required.

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

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

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

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

Section 12.3 Payment in Advance of Final Disposition.

The Association shall pay for or reimburse the reasonable expenses as described above in advance of final disposition of the action, suit or proceeding if the person requesting indemnification provides the Board of Managers with:

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

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

Section 12.4 No Limitation of Rights.

The indemnification provided in this Article shall not be deemed exclusive of nor a limitation upon any other rights to which those indemnified may be entitled under any bylaw, agreement, vote of the Members or disinterested members of the Board of Managers, or otherwise, nor by any rights which are granted pursuant to C.R.S. § 38-33.3-101, *et seq.*, and the Colorado Revised Nonprofit Corporation Act, as those statutes may be amended from time to time.

Section 12.5 Managers and Officers Insurance.

The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Managers, the manager, committee members, or anyone acting at the direction of the Board, covering defense and liability expenses arising out of any action, suit

or proceeding asserted against the person by virtue of the person's actions on behalf of the Association or at the direction of the Board, whether or not the Association would have the power to indemnify the person against liability under provisions of this Article.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Fiscal Year.

The Board has the right to establish and, from time to time, change the fiscal year of the Association.

Section 13.2 Notices.

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

Section 13.3 Conflicts.

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

Section 13.4 Waiver.

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

CERTIFICATION

By signature below, the secretary of the Board of Managers certifies these Amended and Restated Bylaws received the approval in writing by affirmative vote of a majority of a quorum of the Owners present and voting, in person or by proxy, at a regular or special meeting of the Members.

THE CENTENNIAL OWNERS' ASSOCIATION,
a Colorado nonprofit corporation

By: Andrea Karsan
Secretary

Date: 1/2/14