

**AMENDED AND RESTATED
BYLAWS
OF
CHATEAU ASPEN CONDOMINIUM ASSOCIATION**

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OF
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RECITALS

Chateau Aspen Condominium 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 I through X, 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 Chateau Aspen Apartments, 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 Chateau Aspen 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 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 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 shall mean and refer to the Chateau Aspen Condominium Association, and its successors and assigns.

Section 2.4 Board or Board of Directors shall mean the body designated in the Governing Documents to act on behalf of the Association.

Section 2.5 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 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 Chateau Aspen Community shall mean the Chateau Aspen Condominium Community, as further defined by the recorded Condominium Map and the Declaration.

Section 2.8 Declaration shall mean and refer to the Condominium Declaration for Chateau Aspen Apartments, as may be amended, applicable to the Property recorded in the office of the Clerk and Recorder of Pitkin County, Colorado.

Section 2.9 Governing Documents shall mean the Declaration, the Map, the Articles of Incorporation, the Bylaws and Rules and Regulations of the Chateau Aspen Condominium Association, as they may be amended.

Section 2.10 Member shall mean any Owner. The terms "Member" and "Owner" may be used interchangeably.

Section 2.11 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 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 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. Each Unit shall be entitled to cast one vote. 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 Directors, without notice or hearing, until the Assessment has been paid. Voting rights and use rights of an Owner may also be suspended during any period of violation of any other provision of the Governing Documents.

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 Directors 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.

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 directors 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 Special Meetings. Special meetings of the Association may be called by the president, by a majority of the members of the Board of Directors or by the secretary upon receipt of a petition signed by Owners holding at least twenty percent (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 4.3 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 4.4 Place of Meetings. Meetings of the Members shall be held in the Chateau Aspen 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. In addition, meetings may be held telephonically and/or voting may occur by mail, as set forth in Section 4.10.

Section 4.5 Quorum of Members. The presence of forty percent (40%) 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 4.6 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 4.7 Order of Business. The Board may establish the order of business for all meetings of the Board or Members. Unless the Board prescribes an agenda, the order of business at all meetings of the Members shall be conducted pursuant to Robert's Rules of Order as follows:

- (a) Roll call (or check-in procedure);
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Optional reports (manager, officers and committees);
- (e) Election of directors, where applicable;
- (f) Review of or report on the budget (subject to veto, if provided for in the Declaration;
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment.

Failure to strictly follow Robert's Rules of Order shall not invalidate any action taken at a meeting of the Board or Members.

Section 4.8 Waiver of Notice. Any Member may, at any time, waive notice of any meeting of the Members in writing, and the waiver shall be deemed equivalent to the receipt of notice. Attendance at the meeting shall constitute a waiver of notice unless attendance is for the express purpose of objecting to the sufficiency of the notice, in which case, such objection must be raised before the business of which proper notice was not given is put to a vote.

Section 4.9 Voting Procedures/Secret Balloting.

(a) Secret ballots must be used: (i) in contested Board member elections, and (ii) at the request of twenty percent (20%) of Unit Owners present, in person or by proxy, at any Membership meeting on issues on which all Unit Owner have the right to vote;

(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 Directors prior to the meeting or by a majority of the Members present at a meeting.

Section 4.10 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 directors 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 4.11 Voting in Elections of Directors/Other Voting. In an election of directors, 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 4.12 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 4.13 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 Directors which shall consist of seven (7) members, elected or appointed as provided below. In the case where through removal or resignation, the total number of Board members is less than seven (7), 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 one Owner per Unit, 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.

(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 director and shall be deemed to be a Member for the purposes of these Bylaws.

(c) Any director who is more than 30 days delinquent in payment of any Assessment shall not be qualified to serve on the Board.

(d) Any director 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 director who is in violation of any provision of the Governing Documents of the Association for more than 30 days shall not be qualified to serve on the Board.

(f) Any director 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 director 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 Directors 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 director may attend at least one educational program per year related to the management, operation or law of community associations. The director 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 Directors. Any such expenses shall be treated as a Common Expense.

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

Section 5.3 Term of Office for Directors. The term of office of directors shall be three years. The terms of the directors shall be staggered. At the first meeting following the adoption of these Bylaws, two directors shall be elected for one year terms, two directors shall be elected for two year terms and three directors shall be elected to three year terms. Thereafter, all directors shall be elected to three year terms of office.

Section 5.4 Resignation of Directors. Any director may resign at any time by giving written notice to the president, to the secretary or to the Board of Directors stating the effective date of the resignation. Acceptance of a resignation shall not be necessary to make the resignation effective.

Section 5.5 Removal of Directors.

(a) One or more directors or the entire Board of Directors may be removed at a Special Meeting of Members called pursuant to these Bylaws, with or without cause, by a vote of seventy-five percent (75%) of all Members. Notice of a Special Meeting of the Members to remove directors shall set forth that the meeting is being conducted for that purpose and shall be provided to every Member of the Association, including the directors sought to be removed, as provided in these Bylaws. Directors 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 directors, 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 by the Membership) 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 directors present at that meeting may constitute less than a quorum. Each person so appointed shall be a director who shall serve for the remainder of the unexpired term.

Section 5.7 Compensation. No director shall receive compensation for any service the director may render as a director to the Association. However, any director may be reimbursed for actual expenses incurred in the performance of Association duties and/or provided a stipend, if allowed by state law.

ARTICLE 6. MEETINGS OF DIRECTORS

Section 6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times, place and hour as may be fixed by the Board; provided, however, that at least one meeting must be held per fiscal year. The Board may set a schedule of regular meetings by resolution; if it does so, then no further notice is necessary to constitute such scheduled regular meetings.

Section 6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three days' notice to each director, as prescribed in Section 6.3.

Section 6.3 Notice of Board Meetings. Except as provided in Section 6.1 above, 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 directors signing the demand or demands may set the time and place of the meeting and give notice, pursuant to the terms of this Section. The notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 6.4 Location of Meetings and Open Meetings. (a) All meetings of the Board of Directors shall be open to attendance by Members, as provided by applicable Colorado law. (b) All meetings of the Board of Directors shall be held in the Community or in the Pitkin County or Denver metropolitan area, unless all directors consent in writing to another location. (c) All meetings of the Board of Directors 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 6.5 Waiver of Notice. Any director may waive notice of any meeting in writing. Attendance by a director at any meeting of the Board shall constitute a waiver of notice. If all the directors are present at any meeting, no notice shall be required, and any business may be transacted at the meeting.

Section 6.6 Quorum. At all meetings of the Board a majority of the directors currently in office shall constitute a quorum for the transaction of business, unless there are fewer than three directors, in which case all directors must be present to constitute a quorum. The votes of a majority of the directors present at a meeting at which a quorum is present shall constitute a decision of the Board unless there are fewer than three directors, in which case, unanimity of the directors 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 6.7 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 director may execute, in writing, a proxy to be held by another director. The proxy shall specify a yes, no, or abstain vote on each particular 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 6.8 Consent to Corporate Action. The directors 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 directors which vote shall be noted in the minutes of the next meeting of the Board and ratified at that time;

(b) Providing written notice to each director of a proposed action to be taken including the date and time by which the directors must respond to the proposed action. Upon receiving written notice of a proposed action, each director, 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; or (iv) not respond. In the event a sufficient number of affirmative votes (i.e., the number of votes that would be required to approve an action at a meeting) are cast in writing, the Board may take such action unless a director 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;

(c) Any action taken under subsections (a) and (b) shall have the same effect as thought taken at a meeting of the directors.

Section 6.9 Telephone or Electronic Communication in Lieu of Attendance. A director may attend a meeting of the Board by using an electronic or telephonic communication method whereby the director 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 director's vote shall be counted and the presence noted as if that director were present in person.

Section 6.10 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 DIRECTORS

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 Directors 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 directors 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 Audit and Financial Review. At the close of the fiscal year, the books and records of the Association will be considered by the Board to determine whether an audit or a financial review is in the best interests of the Members; provided, however, that:

(a) an audit must be performed if the following conditions are met: (i) the Association's annual revenues or expenditures are at least two hundred fifty thousand dollars (\$250,000.00); and (ii) the Owners of at least one-third (1/3) of the Association's Units request an audit, and

(b) a financial review must be performed if requested by the Owners of at least one-third (1/3) of the Association's Units.

Should the Board determine to conduct an audit, or should it be required due to the conditions set forth in subsection (a) above, the audit shall be conducted by a Certified Public Accountant. A financial review need not be conducted by a Certified Public Accountant.

ARTICLE 8. OFFICERS AND THEIR DUTIES

Section 8.1 Enumeration of Offices. The officers of this Association shall be a president, vice-president, secretary and a treasurer, all of whom shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time create by resolution.

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 Directors 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 three-fourths (3/4) of the Board of Directors. 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 Directors 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 Directors shall appoint some other director to act in the place of the president on an interim basis. The vice president shall also perform other duties imposed by the Board of Directors or by the president.

(c) Secretary. The secretary shall 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 Directors.

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.

Section 8.8 Execution of Association Documents. With the prior authorization of the Board of Directors, all notes, checks and contracts or other obligations shall be executed on behalf of the Association by any two officers of the Association.

Section 8.9 Compensation. No officer shall receive compensation for any service the officer may render as an officer to the Association. However, any officer may be reimbursed for actual expenses incurred in the performance of Association duties and/or provided a stipend, if allowed by state 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 an Architectural Review Committee. 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.

(a) The Association or its managing agent, if any, shall keep the following records permanently at its principal office, as required by the Act:

- (i) Minutes of all Board and Owner meetings;
 - (ii) All actions taken by the Board or Owners by written ballot instead of holding a meeting;
 - (iii) All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association; and
 - (iv) All waivers of the notice requirements for Owner meetings, Board member meetings, or committee meetings.
- (b) The Association or its managing agent, if any, shall keep the following records at its principal office for such length as determined by the Board:
- (i) An account for each Unit, which shall designate the name and address of each Owner, the amount of each Assessment, the dates on which each Assessment comes due, any other fees payable by the Owner, the amounts paid on the account and the balance due;
 - (ii) An account for each Owner showing any other fees payable by the Owner;
 - (iii) The most recent regularly prepared balance sheet and income and expense statement, if any, of the Association;
 - (iv) The current operating budget;
 - (v) A record of any unsatisfied judgments against the Association and the existence of any pending suits in which the Association is a defendant;
 - (vi) A record of insurance coverage provided for the benefit of Owners and the Association;
 - (vii) Tax returns for state and federal income taxation;
 - (viii) Minutes of meetings of the Owners, directors, committees and waivers of notice, if any;
 - (ix) Copies of at least the three most recent years' correspondence between the Association and Owners;
 - (x) Copies of the most current versions of the Governing Documents, along with their exhibits and schedules;
 - (xi) Board resolutions affecting Owners;
 - (xii) Records of any actions taken by Owners without a meeting for at least the past three years;

(xiii) A list of the names and business or home addresses of current Board and its officers; and

(xiv) All financial audits or review conducted pursuant to Section 38-33.3-303(4)(b) of the Act for at least the last three years.

(c) The Association or its managing agent, if any, must maintain a record of all Owners that allows preparation of a list of the names and addresses of all Owners as well as number of votes allocated to each Unit.

Section 10.2 Minutes and Presumptions Under the Minutes. Minutes or any similar record of the meetings of Members, or of the Board of Directors, when signed by the secretary or acting secretary of the meeting, shall be presumed to truthfully evidence the matters set forth therein. A recitation in any such minutes that notice of the meeting was properly given shall be prima facie evidence that the notice was given.

Section 10.3 Examination. The books, records and papers of the Association shall at all times, during normal business hours and after at least five days written notice, or at the next scheduled Board meeting if within 30 days of demand, be subject to inspection and copying by any Member, at his or her expense, except documents determined by the Board to be confidential pursuant to a written policy or applicable law. Any Owner's request to inspect and copy Association records must be made in good faith, for a proper purpose, and describe with reasonable detail what records are requested and why. Requested documents must be relevant to the stated purpose for the request. The Association may charge the actual costs for copying of the records.

ARTICLE 11. AMENDMENTS

Section 11.1 Bylaw Amendments.

(a) These Bylaws may be amended by:

(i) The affirmative vote of three-fourths (3/4) of the members of the Board of Directors at a duly constituted meeting; provided, however, no amendment shall be made to the quorum requirement, to the qualifications, powers and duties of the Board, or to the terms of Directors 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 three-fourths (3/4) 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 Directors, 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 director, officer or committee member of the Association; provided the person is or was serving at the request of the Association in such capacity; and provided that the person:

(i) acted in good faith, and;

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

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

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

(b) If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board 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 Directors with:

- (a) A written affirmation of that person's good faith belief that he or she has met the standard of conduct described above and;
- (b) A written statement that the person shall repay the advance if it is ultimately determined that he or she did not meet the standard of conduct described above.

Section 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 Directors, 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 Directors and Officers Insurance. The Association shall purchase and maintain insurance on behalf of any person who is or was a member of the Board of Directors, the manager, committee members, or anyone acting at the direction of the Board, 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 Directors certifies these Amended and Restated Bylaws received the approval in writing by three-fourths (3/4) of the Members of the Association, present or represented by proxy at any regular or special meeting of the Membership, provided that a quorum is present at any such meeting.

CHATEAU ASPEN CONDOMINIUM ASSOCIATION,
a Colorado nonprofit corporation

By: _____

Secretary

Date: _____