

BYLAWS
OF
CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION

ARTICLE ONE: OBJECT

1.1 Association. Centennial Trails Homeowners Association is a non-profit corporation, organized under the Colorado Non-Profit Corporation Act, with its principal office at 1275 Wildwood Drive, Boulder, Colorado 80303. *5430 CENTENNIAL TRAIL, BOULDER, CO 80303*

1.2 Purpose. The purpose for which the Association is formed is to govern the residential community situated in City and County of Boulder, State of Colorado, which is known as Centennial Trails Subdivision, hereinafter known as "The Properties," which property is subject to the provisions of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF CENTENNIAL TRAILS SUBDIVISION recorded on Film 1284 as Reception No. 595134 of the Boulder County records, hereinafter referred to as the Declaration."

1.3 Definitions. Terms used herein shall have the meanings specified for such terms in the Declaration.

1.4 Applicability. All present or future owners, members, tenants, future tenants, or any other person that might use in any manner The Properties are subject to the Declaration. The acquisition or rental of any of the Dwelling Units or the occupancy of any of said Dwelling Units will signify that the Declaration and these Bylaws are accepted, ratified and will be complied with.

ARTICLE TWO: MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. Every person or entity who is a record Owner of a fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a Member of the Association, including contract sellers; provided that any person or entity who holds such interest merely as a security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for such membership. Where more than one person hold interest in any Lot, all such persons shall be Members.

2.2 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant as defined in the Declaration and shall be entitled to one vote for each Lot owned.

The vote for such Lot, the ownership of which is held by more than one Owner, may be exercised by any one of them, unless an objection or protest by any other holder of an interest of the Lot is made prior to the completion of the vote, in which case the vote for such Lot shall be exercised, as the persons holding such interest shall determine between themselves. Should the joint owners of a Lot be unable, within a reasonable time, to agree upon how they will vote any issue, they shall be passed over and their right to vote on such issue shall be lost. In no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B Members shall be the Declarant as defined in the Declaration who shall be entitled to three (3) votes for each Lot owned. Class B Membership may be converted to Class A Membership at the option of the Declarant by its written notice to the Secretary of the Association, but in any event shall be converted to Class A Membership without further act or deed not later than:

- (a) when seventy-five percent (75%) of the Lots have been conveyed to Purchasers other than Declarant; or
- (b) five (5) years following the recording of this Declaration, whichever shall first occur.

ARTICLE THREE: MEETINGS OF THE MEMBERS

3.1 Place of Meeting. Meetings of the Association shall be held at such place within the County of Boulder, State of Colorado as the Board of Directors may determine.

3.2 Annual Meetings. The first Annual Meeting of the Members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular Annual Meeting of the Members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m., provided, however, the date of the first Annual Meeting after the conversion of the Class B Membership to Class A Membership in accordance with Paragraph 2.2 hereof may be set by the Board of Directors and the Annual Meeting shall take

place on the same day of the same month thereafter at the hour of 7:00 p.m. If the day for the Annual Meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. At such meeting, the Members may transact business of the Association as may properly come before the meeting.

3.3 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the Class A Membership.

3.4 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.5 Quorum. The presence at the meeting of the Members entitled to cast, or of proxies entitled to cast, twenty percent (20%) of the votes of each class of membership shall constitute a quorum for any action and an affirmative vote of a majority of the votes present at which a quorum is in attendance in person or by proxies shall be necessary to transact business and to adopt decisions binding on all Members, except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and that required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

3.6 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. No proxy shall extend beyond a period of eleven (11) months.

ARTICLE FOUR: DIRECTORS

4.1 Number. Until the first Annual Meeting of Members of this Association, the affairs of this Association shall be

managed by a Board of three (3) Directors, who need not be Members of the Association. Subsequent to the first Annual Meeting of Members, the affairs of the Association shall thereafter be managed by a Board of five (5) Directors, who shall be Members of the Association.

4.2 Term of Office. At the first Annual Meeting the Members shall elect one (1) Director for a term of one (1) year, two (2) Directors for a term of two (2) years and two (2) Directors for a term of three (3) years. At the expiration of the initial term of office of each respective Director, his successors shall be elected to serve a term of three (3) years.

4.3 Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the Annual Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members, to serve from the close of such Annual Meeting until the close of the next Annual Meeting and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may only be made from among the Members.

4.4 Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

4.5 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.6 Compensation. No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE FIVE: MEETINGS OF DIRECTORS

5.1 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place

and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

5.2 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 (3) days' notice to each Director.

5.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

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

ARTICLE SIX: POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers. The Board of Directors shall have power to:

- a) administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration;
- b) establish, make and enforce compliance with such reasonable Rules and Regulations as may be necessary to govern the use of Common Areas and facilities; and the personal conduct of the Members, their families, invitees, and guests thereon, and to establish penalties for the infraction thereof with the right to amend the same from time to time;
- c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- d) declare the office of a Member or the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

e) hire and terminate a managing agent or such other employees as they deem necessary, and to prescribe their duties. All of the powers and duties granted to the Board hereunder may be delegated to a managing agent; provided however, that such delegation shall not relieve the Board of any responsibility therefore;

f) suspend the voting rights during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Rules and Regulations.

6.2 Duties. It shall be the duty of the Board of Directors to:

a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement therefore to the Members at the Annual Meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c) as more fully provided in the Declaration, to:

1. establish the amount of the Annual Assessment for Common Expenses in accordance with the Declaration and send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period.
2. fix the amount of the Individual Assessments and establish Fines, all in accordance with the Declaration;
3. foreclose the lien against any Lot for which assessments are not paid within ninety (90) days after such assessment's due date or bring an action at law against the Owner personally obligated to pay the same.

d) collect all assessments as levied by the Board of Directors from the Lot Owners as are authorized in the Declaration. From the assessments collected, provide for the maintenance, repair and replacement of the Common Areas

and maintain all policies of insurance and provide for such other expenses together with the establishment of necessary reserves, as are required by the Declaration.

e) fix a delinquent interest rate for delinquent assessments in accordance with the Declaration, as the Board, in its discretion, may determine and uniformly apply;

f) procure and maintain adequate liability and casualty insurance on insurable improvements in the Common Areas owned by the Association, and such other insurance policies as the Board deems necessary or advisable;

g) keep in good order, condition and repair all of the Common Areas;

h) institute, defend, or intervene in litigation or administrative proceeding in its own name on behalf of itself or an Owner on matters affecting The Common Areas;

i) enjoin or seek damages from, or assess Fines and Individual Assessments against an Owner for violation of the provisions of the Declaration;

j) cause all officers or employees having fiscal responsibilities to be bonded, in accordance with the Declaration;

k) exercise any other powers conferred by the Declaration, Articles or Bylaws;

l) grant easements and licenses through or over the Common Areas;

m) make contracts and incur liabilities;

n) borrow money, providing such security as is necessary, providing that such borrowing has the prior written approval of two-thirds (2/3) of each class of Members.

ARTICLE SEVEN: OFFICERS AND THEIR DUTIES

7.1 Enumeration of Officers. The officers of this Association shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution create.

7.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the Members.

7.3 Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

7.4 Special Appointments. The Board may elect such 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.

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

7.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 7.4 of this Article.

7.8 Duties. The duties of the officers are as follows:

a) President. The president shall preside at all meetings of the Board of Directors and the meetings of the Membership; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments;

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

c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings

of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; 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, and shall perform such other duties as required by the Board;

d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year if so directed by the Board of Directors; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular Annual Meeting, and deliver a copy of each to the Members.

ARTICLE EIGHT: COMMITTEES

The Association shall appoint a Design Review Committee, as provided in the Declaration, and a Nominating Committee, as provided by these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE NINE: BOOKS AND RECORDS

Any Owner, or his First Mortgagee may inspect the records or receipts and expenditures of the Association at convenient weekday business hours.

Upon ten days' notice to the Board of Directors or Managing Agent, if any, and upon payment of a reasonable fee, any Owner or his First Mortgagee shall be furnished a statement of such Owner's account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner and/or an estoppel certificate.

The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Owner and such Owner's First Mortgagee at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE TEN: AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

If The Properties have been or are to receive Veterans Administration and/or Federal Housing Administration approval as defined in the Declaration, then until the Class B Membership has been converted to Class A Membership in accordance with Paragraph 2.2 hereof, the Federal Housing Administration and the Veterans Administration shall have the right to veto amendments.

ARTICLE ELEVEN: ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association certain assessments which is a personal obligation of such Member and is secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate fixed by the Board of Directors and uniformly applied not to exceed twelve percent (12%) per annum.

The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment.

No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

ARTICLE TWELVE: CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: CENTENNIAL TRAILS HOMEOWNERS ASSOCIATION.

ARTICLE THIRTEEN: MISCELLANEOUS

13.1 Character of Association. This Association is not organized for profit. No Member, member of the Board of Directors, or officer shall receive any pecuniary profit from

the operation thereof, and in no event shall any part of the funds or assets of the Association be distributed to, or inure to the benefit of, any Director, officers or Members, except upon a dissolution of the Association, provided however, always, that a reasonable salary may be paid to any Member who is in the employ of the Association for his services as such employee, and that any Member, manager, Director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

13.2 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, unless changed by the Board of Directors. The first fiscal year shall begin on the date of incorporation.

13.3 Proof of Ownership. Except for those Owners who initially purchase a Lot from Declarant and except for those Owners who purchase from the Veterans Administration pursuant to an unrecorded executory land sales contract, or an assignment of the purchasers' rights thereunder (who shall be required by the Association to furnish copies of the unrecorded documents), every person becoming an Owner of a Lot shall immediately furnish to the Board of Directors a photocopy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 4th day of OCTOBER, ~~1982~~ 2007.

BOARD OF DIRECTORS:

John Kew
Andy Edmonds
John A Tracy
R. Peter Jackson