

**BYLAWS OF  
HIGHWAY 24 EASTGATE BUSINESS PARK CONDOMINIUM ASSOCIATION, INC.**

These Bylaws were duly adopted by the initial Board of Directors of the Highway 24 Eastgate Business Park Condominium Association, Inc., (“Association”) pursuant to the Colorado Revised Nonprofit Corporation Act (“Act”).

**ARTICLE I  
FORMATION**

The Association was incorporated as a Colorado Nonprofit corporation on February 21, 2009, when it filed its Articles (“Articles”) with the Colorado Secretary of State’s Office.

**ARTICLE II  
DEFINITIONS**

Any capitalized terms contained herein or any terms that are defined in the Declaration of Covenants, Conditions and Restrictions of the Highway 24 Eastgate Business Park Condominium project (“Declaration”), which Declaration is hereby incorporated in its entirety herein by this reference, the Articles of Incorporation (“Articles”), or these By-laws shall have the same meaning as defined in any of those documents and if not defined therein shall have the meaning set forth in the Colorado Revised Nonprofit Corporation Act, C.R.S. § 7-121-101 *et. seq.* (“Act”). To the extent that any definitions contained herein conflict with the Act, that statute shall control.

**ARTICLE III  
PRINCIPAL OFFICE**

The initial principal office of the corporation shall be located at 7185 East Highway 24, Colorado Springs, CO 80915. The principal office may be changed at any time by following all statutory requirements for effecting a change of office.

**ARTICLE IV  
MEMBERSHIP AND VOTING RIGHTS**

Section 1. Membership and Voting Rights. The requirements and conditions of membership and of voting rights shall be as follows:

(a) **Membership.** Owners of all Units shall automatically be Members of the Association, but are denoted as Owners in the Declaration. Membership shall be as provided in the Declaration and the Articles of Incorporation. By acquiring title to a Unit, a person or entity automatically consents to becoming a Member of the Association and automatically becomes subject to the rights and duties set forth in the Declaration, the Association’s Articles, these Bylaws, any Rules promulgated by the Association (collectively called the “Association’s Documents”) and applicable laws and statutes. Memberships, and any rights arising therefrom, are transferable only as permitted by the Association’s Documents. An Owner may not resign from the Association, but may be suspended or expelled or have his or her Membership terminated as provided by the Association’s Documents. Notwithstanding expulsion, suspension, or termination of one’s Membership, a Member shall remain liable for all past, present and future assessments, fees, charges and sums.

(b) Voting Rights.

(1) Voting Rights shall be as set forth in the Declaration. Decisions and action by the Association shall require the affirmative vote as set forth in the Declaration, unless otherwise provided herein or in the Association's Articles. Any one multiple owner of a Unit present at a meeting of the Association, is entitled to vote as permitted by the Declarations. Alternatively, if more than one person owns a Unit, all co-Owners may appoint one of the co-Owners as their proxy to vote for that Unit as the co-Owners thereof may agree by simple majority vote. If the co-Owners of a Unit cannot agree on the manner in which their vote shall be cast, then they will be treated as having abstained from that vote. In no event shall co-Owners cast more than one vote per Unit on any given matter put to a vote of Members.

(2) No votes may be cast on Units owned by the Association.

(3) Notwithstanding anything herein to the contrary, the Declarant, as defined in the Declaration, has the right to appoint one or more of the Board of Directors as follows: During the Period of Declarant Control, the Declarant, or persons designated by the Declarant, may appoint and remove all Officers and Directors of the Board, subject to certain limitations that may be contained in the Declaration or applicable statutes. The Period of Declarant Control shall end at the latest of:

(i) the date that is no later than sixty (60) days after the conveyance of any Unit to a Member which results in seventy-five (75%) percent of all Units being owned by Owners other than the Declarant,

(ii) two (2) years after the last conveyance of a Unit by the Declarant in the ordinary course of business, or two (2) years after any right to add new Units was last exercised.

The Declarant may voluntarily surrender the right to appoint and remove Officers and Directors of the Board before termination of the Period of Declarant Control, but in that event, the Declarant may require, for the duration of the Period of Declarant Control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Declarant, be approved by the Declarant before they become effective.

(4) Not later than sixty (60) days after conveyance to Owners other than the Declarant of twenty-five (25%) percent of the Units, at least one member, and not less than twenty-five (25%) percent of the members of the Board shall be elected by the Owners, other than the Declarant. Not later than sixty (60) days after conveyance to Owners other than the Declarant of fifty (50%) percent of the Units, not less than one-third (1/3) of the members of the Board must be elected by the Owners other than the Declarant.

## ARTICLE V MEETINGS

Section 1. Meetings of Members and Directors. Meetings of Members and Directors may be held at such places within the County of El Paso as may be designated from time to time by the Board of Directors. If the place of any annual meeting is to be changed from the location of the prior year's annual meeting, notice of the meeting shall also include notice of the place of the meeting.

Section 2. Annual Meetings. The first annual meeting of the Members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the Members shall be held during the same month of each year thereafter at a place, date and time, within El Paso County, Colorado, as the Board of Directors may determine.

### Section 3. Special Meetings.

(a) The Association shall hold a special meeting of its Members:

(1) On call of its Board of Directors or the person or persons authorized by the Bylaws or resolution of the Board of Directors to call such a meeting; or

(2) Upon receipt of one or more written demands for the meeting, stating the purpose or purposes for which it is to be held, signed and dated by Members holding at least twenty five percent of all votes entitled to be cast pursuant to the Bylaws on any issues proposed to be considered at the meeting.

(b) If not otherwise fixed under C.R.S. § 7-127-103 or § 7-127-106, the record date for determining the Members entitled to demand a special meeting pursuant to paragraph (a)(2) above is the date of the earliest of any of the demands pursuant to which the meeting is called, or the date that is sixty days before the date the first such demand is received by the Association, whichever is later.

(c) If a notice for a special meeting demanded pursuant to paragraph (a)(2) above is not given pursuant to C.R.S. § 7-127-104 within thirty days after the date the written demand or demands are delivered to a corporate officer, regardless of the requirements of paragraph (d) below, a person signing the demand or demands may set the time and place of the meeting and give notice pursuant to C.R.S. § 7-127-104.

(d) Special meetings of the Members may be held in or out of this State at the place stated in or fixed in accordance with the Bylaws, or, if not so stated or fixed, at a place stated or fixed in accordance with a resolution of the Board of Directors. If no place is so stated or fixed, special meetings shall be held at the Association's Principal Office.

(e) Only business within the purpose or purposes described in the notice of the meeting required by C.R.S. § 7-127-104(3) may be conducted as a special meeting of the Members.

### Section 4. Notice of Meetings.

(a) Not less than ten (10) nor more than fifty (50) days in advance of any meeting, the secretary or other officer specified in the Bylaws shall cause notice to be hand delivered or sent prepaid by United States mail to the mailing address of each Unit or to any other mailing address designated in writing by the Owner. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board.

(b) The Association shall give to each Member who is entitled to vote at the meeting notice in a fair and reasonable manner and consistent with these Bylaws.

(c) Any notice that conforms to the requirements of paragraph (d) below is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.

(d) Notice is fair and reasonable if:

(1) The Association notifies its Members by hand delivery of the place, date, and time of each annual, regular, and special meeting of Members no fewer than ten (10) days nor more than fifty (50) days before the meeting date, or if notice is mailed by other than first class or registered mail, no fewer than thirty (30) days, nor more than fifty (50) days before the meeting date, and if notice is given by newspaper as provided in C. R. S. § 7-121-402(2), the notice must be published five separate times with the first such publication no more than ninety days, and the last such publication no fewer than ten days, before the meeting date.

(2) Notice of an annual or regular meeting includes a description of any matter or matters that must be approved by the Members or for which the Members' approval is sought under C.R.S. §§ 7-128-501, 7-129-110, 7-130-103, 7-130-201, 7-131-102, and 7-134-102. The notice of any meeting must state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or Bylaws, any budget changes, and any proposal to remove an officer or member of the Board; and

(e) Unless otherwise provided by Articles 121 to 137 of the Act or the Bylaws, notice of a special meeting shall include a description of the purpose or purposes for which the meeting is called.

(f) Members may waive notice as provided by C.R.S. § 7-127-105.

(g) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. § 7-127-106, however, notice of the adjourned meeting must be given under this Section to the Members of record as of the new record date.

(h) When giving notice of an annual, regular, or special meeting of Members, the Association shall give notice of a matter a Member intends to raise at the meeting if:

(1) Requested in writing to do so by a person entitled to call a special meeting; and

(2) The request is received by the secretary or president of the Association at least ten days before the Association gives notice of the meeting.

(i) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to the Act. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of Members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. § 7-127-201.

(j) If more than one Owner owns a Unit, all of the Owners of a Unit shall be deemed notified if one notice is delivered or mailed to any one Owner at a registered address.

Section 5. Action Taken Without A Meeting. Notwithstanding any provision to the contrary, any action required or permitted to be taken at any meeting of Members may be taken without a meeting and without prior notice or a vote, if Members entitled to vote thereon unanimously agree and consent to such action in writing; such action shall be taken in accordance with C.R.S. § 7-127-107 of the Act. Action may also be taken by means of C.R.S. § 7-127-109.

Section 6. Quorum.

(a) The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, thirty-three percent (33 %) of the Allocated Interests of all Members shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have power to adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum is present. The Association may impose fines upon Members who fail to duly execute and return proxies for meetings.

(b) Once a Member is represented for any purpose at a meeting, including the purpose of determining that a quorum exists, the Member is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting, unless a new record date is or shall be set for that adjourned meeting.

Section 7. Proxies.

(a) Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of the Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided herein. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

(b) A Member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association; except that the transmitted appointment shall set forth

or be transmitted with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

(c) An appointment of a proxy is revocable by the Member.

(d) Appointment of a proxy is automatically revoked by the person appointing the proxy if the person appointing a proxy:

(1) Attends any meeting and votes in person; or

(2) Signs and delivers to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent proxy appointment form.

Section 8. Majority of Members. As used in these Bylaws, the term “majority of Members” shall mean fifty-one percent (51%) of the Owner’s votes cast by all Members present at a meeting containing a quorum. Except as otherwise provided herein, an affirmative vote of a majority of the Members present, in person or by proxy, at a meeting containing a quorum, shall be required to transact the business of the meeting and shall be valid and binding upon all Owners.

Section 9. Order of Business. The order of business at all meetings of the Members shall be as determined by the Board.

## ARTICLE VI ASSESSMENTS

As more fully provided in the Declaration, in the rules and regulations, and as provided by law, statute, or otherwise, each Member is obligated to pay to the Association annual and special assessments which are 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 any assessment is not paid when due, the Association may impose an administrative fee as set forth in the Association Documents, the assessment may bear interest from the date of delinquency at a rate of up to eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and/or may foreclose the lien against his Unit, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorneys’ fee to be fixed by the court, together with the expenses and costs of the action. The Association may also exercise any other rights and remedies, concurrently, independently, or successively.

## ARTICLE VII CORPORATE RECORDS

The Association shall make available to Owners and lenders, and to holders, insurers or guarantors of any First Mortgage, current copies of the Declaration, Articles, Bylaws, other rules and the books, records, records of receipts and expenditures, and financial statements of the Association. “Available” means available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Within fourteen (14) calendar days and upon payment of a reasonable fee, any Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

## ARTICLE VIII BOARD OF DIRECTORS

The property, business and affairs of the Association shall be managed by a Board of Directors. The initial Board of Directors shall be composed of three Directors, who shall be appointed by the Declarant. The number of Directors may be changed thereafter by amendment of these Bylaws or as otherwise permitted provided however that the number of Directors shall not be reduced to less than three unless there are less than three members nor increased to more than nine. Directors shall be Owners as defined in the Declaration. Notwithstanding any contrary provision of these Bylaws or the Association's Articles, the Declarant may appoint or remove any Officer of the Association or any member of the Board of Directors of the Association as provided in the Declaration. Until the first meeting of the Association's Members, the Declarant, directly or through the initial Board of Directors, shall carry out the duties, functions, and powers of the Board of Directors. Following the relinquishment of control by Declarant, the Owners shall elect the Board as provided in the Declaration, the Articles and the Bylaws. At each annual meeting after the Period of Declarant Control, the number of Directors and their terms of office may be increased or decreased by an affirmative vote of a majority of Members at any annual meeting, but such changes shall not be effective until the next annual meeting.

## ARTICLE IX NOMINATION, ELECTION AND TERM OF DIRECTORS

Section 1. Nomination. After termination of the Period of Declarant Control, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nomination 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.

Section 2. Election. After termination of the Period of Declarant Control, 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. Directors shall thereafter be elected at the Association's annual meeting. In an election of multiple Directors, the candidates receiving the highest number of votes cast in favor of their election, are elected to the Board of Directors. When only one Director is being voted upon, the affirmative vote of a majority of the Members constituting a quorum at the meeting at which the election occurs shall be required for election to the Board of Directors.

Section 3. Term of Office.

(a) The initial Board of Directors shall serve and shall continue in office until their successors are duly elected and installed after the first meeting, which follows the termination of the Period of Declarant Control or after a meeting called by the Board for the purpose of electing Directors. At that first membership meeting, the Members shall elect one-third (1/3) of the Directors for one-year terms, one-third (1/3) of the Directors for two-year terms and one-third (1/3) of the Directors for three-year terms, and at each annual meeting thereafter, the Members shall elect the same number of Directors as there are Directors whose terms are

then expiring, for terms of three years. The terms of at least one-third (1/3) of the Directors shall expire annually.

(b) The term of any Director filling a vacancy expires at the end of the unexpired term that such Director is filling. Vacancies shall be filled as provided by the Act. Despite the expiration of a Director's term, a Director continues to serve until the Director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of Directors. A Director whose term has ended may deliver to the Colorado Secretary of State for filing a statement to that effect pursuant to the Act.

Section 4. Resignation. Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by such officer.

Section 5. Removal.

(a) Notwithstanding any provision of the Declaration or Bylaws to the contrary, by a vote of sixty-seven percent (67%) of all Owners present and entitled to vote at any meeting of the Owners at which a quorum is present, the Owners may remove any member of the Board with or without cause, other than a member appointed by the Declarant. Directors elected by voting Members or elected by other Directors may be removed as follows:

(1) The voting Members may remove one or more Directors elected by them with or without cause.

(2) Subject to C.R.S. § 7-127-208(3), a Director may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors.

(3) A Director elected by voting Members may be removed by the voting Members only at a meeting called for the purpose of removing that Director, and the meeting notice shall state that the purpose, or one of the purposes, of the meeting is removal of the Director.

(4) An entire Board of Directors may be removed under paragraphs (1) to (3) above.

(5) A Director elected by the Board of Directors may be removed with or without cause by the vote of a majority of the Directors then in office; except that a Director elected by the Board of Directors to fill the vacancy of a Director elected by the voting Members may be removed without cause by the voting Members, but not the Board of Directors.

(b) A Director who is removed pursuant to the Bylaws may deliver to the Colorado Secretary of State for filing a statement to that effect.

(c) An appointed Director may be removed without cause by the Declarant appointing the Director. The person removing the Director shall do so by giving written notice of the removal to the Director and to the Association. A removal is effective when the notice is received by both the Director to be removed and the Association unless the notice specifies a future effective date.

(d) If, at the beginning of a Director's term on the Board, any rules adopted by the Board pursuant to these Bylaws provide that a Director may be deemed to have resigned for failing to attend a specified number of Board meetings, or for failing to meet other specified obligations of Directors, and if such failure to attend or meet obligations is confirmed by an affirmative vote of the Board of Directors, then such failure to attend or meet obligations shall be effective as a resignation at the time of such vote of the Board.

Section 6. Compensation. No Director shall receive compensation for any service which he or she may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 7. 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 and such action complies with the Act. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

## ARTICLE X DIRECTOR MEETINGS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held with such frequency and at such time and place as shall be determined by a majority of the Directors. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least seven (7) days prior to the day named for such meeting.

Section 2. Organizational Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Members shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Association, or by any two or more Directors, upon three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, the place and the purpose of the meeting.

Section 4. Notice and Waivers.

(a) Unless otherwise provided in the Act or in these Bylaws, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Any meeting may be held as allowed by the Act.

(b) Unless the Bylaws provide for a longer or shorter period, special meetings of the Board of Directors shall be preceded by at least two days' notice of the date, time, and place of the meeting. The notice need not describe the purpose of the special meeting unless otherwise required by the Act or these Bylaws.

(c) A Director may waive any notice of a meeting before or after the time and date of the meeting stated in the notice. Except as provided herein, the waiver shall be in writing and signed by the Director entitled to the notice. Such waiver shall be delivered to the Association for filing with the corporate records, but such delivery and filing shall not be conditions of the effectiveness of the waiver.

(d) A Director's attendance at or participation in a meeting waives any required notice to that Director of the meeting unless:

(1) At the beginning of the meeting or promptly upon the Director's later arrival, the Director objects to holding the meeting or transacting business at the meeting because of lack of notice or defective notice and does not thereafter vote for or assent to action taken at the meeting; or

(2) If a special notice was required of a particular purpose pursuant to C.R.S. § 7-128-203(2), the Director objects to transacting business with respect to the purpose for which such special notice was required and does not thereafter vote for or assent to action taken at the meeting with respect to such purpose.

Section 5. Quorum.

(a) At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board, there is less than a quorum present, those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.



(b) For purposes of determining a quorum with respect to a particular proposal, and for purposes of casting a vote for or against a particular proposal, a Director may be deemed to be present at a meeting and to vote if the Director has granted a signed written proxy to another Director who is present at the meeting, authorizing the other Director to cast the vote that is directed to be cast by the written proxy with respect to the particular proposal that is described with reasonable specificity in the proxy. Except as provided in this paragraph and as permitted by the Act, Directors may not vote or otherwise act by proxy.

(c) A Director who is present at a meeting of the Board of Directors when corporate action is taken is deemed to have assented to all action taken at the meeting unless:

(1) The Director objects at the beginning of the meeting, or promptly upon the Director's arrival, to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to any action taken at the meeting;

(2) The Director contemporaneously requests that the Director's dissent or abstention as to any specific action taken be entered in the minutes of the meeting; or

(3) The Director causes written notice of the Director's dissent or abstention as to any specific action to be received by the presiding officer of the meeting before adjournment of the meeting or by the Association promptly after adjournment of the meeting. The right of dissent or abstention pursuant to this paragraph as to a specific action is not available to a Director who votes in favor of the action taken.

## ARTICLE XI BOARD OF DIRECTORS' DUTIES AND POWERS

Section 1. Powers. The Board of Directors shall have the powers stated in the Declaration, Articles, these Bylaws, the Act, and as provided by law, statute, or otherwise, and, subject to the limitations set forth in those documents and statutes, the Board shall have the following powers:

(a) adopt and publish rules and regulations and establish penalties for the infraction thereof. A rule or regulation shall not be in conflict with the Declaration or these Bylaws. Except in emergencies a copy of such rules and regulations shall be delivered by hand to each Owner or mailed to each Member upon the adoption thereof and shall be effective on the fifth day after delivery or mailing;

(b) suspend any Member's right to vote and the use of any of the Association's facilities during any period in which such Member shall be in default under the Declaration, including without limitation, the non-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 each infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws, the Articles, or the Declaration, which are necessary for the administration of the affairs of the Association and for the operation and maintenance of the Property;

(d) incur such costs and expenses as may be necessary to keep in good order, condition and repair any common areas and facilities and all items of common personal property;

(e) declare the office of a Director of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors;

(f) employ the services of a property manager or managing agent, or both, to whom the Board of Directors may delegate any of its powers and duties; provided, however, the Board when so delegating shall not be relieved of its responsibility under the Declaration; and provided further, any such delegation shall comply with the Act;

(g) employ independent contractors and such other employees as they deem necessary, and to delegate any of the Board's powers and duties to them and to prescribe their duties, subject to the provisions of the Declaration;

(h) designate and remove personnel necessary for the operation, maintenance, repair, and replacement of any common areas; and,

(i) approve such sales of property, distributions, mergers and dissolution as permitted by the Declaration and the Act.

Section 2. Duties. Subject to the Declaration, Articles, these Bylaws, statutes and law, 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 thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by the Members who are entitled to vote at least twenty percent (20%) of all of the votes of the membership;

(b) provide such supervision of all officers, agents and employees of the Association as the Board deems reasonably necessary and appropriate;

(c) as more fully provided in the Declaration, fix the amount of the assessments and charges against each Unit and Owner, and to collect all sums owed to the Association by the rights and remedies set forth in the Declaration, in any rules and regulations, and in law or by statute;

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate as provided in the Declaration setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates;

(e) procure and maintain adequate liability and hazard insurance on the common area property owned by the Association, if any, insure and keep insured all of the insurable common areas in an amount equal to the maximum replacement value for the benefit of all Owners and their first mortgagees and procure and maintain all other insurance permitted or required by the Declaration;

(f) cause all officers or employees having fiscal responsibilities to furnish adequate fidelity insurance or bonds as required by the Declaration. The premiums on such insurance or bonds shall be a common expense as may be deemed appropriate by the Board;

(g) cause the common areas to be maintained and to make repairs, additions, alterations and improvements in the manner consistent with the best interests of the Owners;

(h) establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable and to keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners, and to cause an annual accounting for Association funds and a financial statement to be prepared and presented to the Association by the managing agent, a public accountant, or a certified public accountant. All persons or managing agents shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the other persons or managing agents and shall maintain all reserve accounts of the Association so managed separate from operational accounts of this Association;

(i) meet as often as the Board deems reasonable and appropriate.

Section 3. No Waiver of Rights. The omission, delay, or failure of the Association or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the Articles, these Bylaws or rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, estoppel, modification, or release thereof, and the Board of Directors, the Association, or any Member shall have the right to enforce the same thereafter.

## ARTICLE XII OFFICERS

Section 1. Enumeration of Officers. The Officers of the Association shall be a President and one or more Vice-Presidents, who shall at all times be Members of the Board of Directors and a Secretary and a Treasurer, and such other officers as the Board of Directors shall, from time to time, elect. The office of Treasurer and Secretary may be held by the same person. The offices of Secretary, Treasurer and officers other

than the President and Vice-President need not be held by Members of the Board of Directors. The powers and duties of the Officers shall be subject to the provisions and limitations of the Declaration, Articles, these Bylaws, and law and statute.

Section 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; provided, however, during the Period of Declarant Control, the Declarant may appoint the Officers, but thereafter the Board of Directors elects the Officers to continue in office until their successors are elected.

Section 3. Term. Except as provided herein, each Officer of the 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.

Section 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.

Section 5. Resignation and Removal.

(a) Any Officer may be removed from office with or without cause by the Board.

(b) An Officer may resign at any time by giving written notice of resignation to the Association. A resignation of an Officer is effective when the notice is received by the Association unless the notice specifies a later effective date. If a resignation is made effective at a later date, the Board of Directors may permit the Officer to remain in office until the effective date and may fill the pending vacancy before the effective date with the provision that the successor does not take office until the effective date, or the Board of Directors may remove the Officer at any time before the effective date and may fill the resulting vacancy.

Section 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.

Section 7. Duties. Except as performed by any managing agent, the duties of the Officers are as follows:

(a) The President shall preside at all meetings of the Board of Directors and of the Owners; shall see that orders and resolutions of the Board are carried out; shall sign all leases, promissory notes, mortgages, deeds and other written instruments affecting Association operations or property. Further, the President shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as the Board may, in its discretion, decide are appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the Members of the Association at any regular or special meetings.

(b) 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) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Owners; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of any meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; shall, in general, perform all duties incident to the office of secretary, and shall perform such other duties as required by the Board.

(d) The Treasurer shall keep the financial records and books of account and shall receive and deposit in appropriate governmentally insured accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the

Association; keep proper books of account; cause an annual review or audit of the Association books to be made as required or permitted by these Bylaws; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and provide for delivery of the budget and statement as required by the Board and by statute. In the event a managing agent has the responsibility of collecting and disbursing funds and performing the duties described in this paragraph, the Treasurer shall review the accounts of the managing agent not less often than once each calendar quarter.

(e) The President and the Secretary may prepare, execute, certify and record amendments to the Declaration on behalf of the Association following their adoption as provided therein.

### ARTICLE XIII COMMITTEES/MANAGING AGENT

The Board of Directors may appoint such committees as deemed appropriate in carrying out its purpose, including, without limitation, an architectural control committee or other committees pursuant to the Declaration or C.R.S. § 7-128-206 of the Act or to appoint itself as any committee under the Declaration or the Act, and to adopt rules, if any, for procedures and appeals from committees to the Board. The Board of Directors may also employ a Managing Agent (with the amount and terms of compensation set by the Board), to perform such duties and services as so authorized. The Board of Directors may delegate any of the powers and duties granted to it but, notwithstanding any such delegation, the Board shall not be relieved of its responsibilities under the Declaration. Any contract of employment entered into with a Managing Agent must be limited to a term not exceeding one year and must provide that it is cancelable by the Association, without cause, upon thirty day's prior notice and with cause at any time.

### ARTICLE XIV NON LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1. Contracts. Contracts or other commitments made by the Board of Directors or Officers shall be made as agent for the Association, and Board members or Officers shall have no personal responsibility on any such contract or commitment.

Section 2. Indemnification of Officers and Directors. Each officer and Director of the Corporation, now or hereinafter serving in any such capacity, shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become subject by reason of serving or having served in any such capacity, or by reason of any action alleged to have been taken, omitted, or neglected by him or her in any such capacity, to the fullest extent allowable by law and statute, including without limitation, the Colorado Revised Nonprofit Corporation Act. The right of indemnification herein provided shall not be exclusive of any rights to which any Director or Officer of the Corporation may otherwise be entitled by law or statute, provided however, this indemnification shall not reduce or impair any insurance coverage. No Director or Officer shall be personally liable to the Corporation or its Members except as otherwise provided by the Act. Directors and Officers shall be indemnified by the Association to the fullest extent allowed by the Declaration, Articles and these Bylaws and by law and statutes, including without limitation, C.R.S. §§ 7-129-101 through 107. All costs of indemnification shall be a General Common Expense.

Section 3. Non-liability. The Directors, Officers, employees and Members of the Association are not, as such, personally liable for the acts, debts, or obligations of the Association.

Section 4. Standards. Except as may be allowed by the Declaration and the Act, Directors and Officers shall comply with the standards set forth in C.R.S. §§ 7-128-401 and 7-128-501 and shall be indemnified as provided therein.

Section 5. Exception. Nothing contained herein shall be deemed to obligate the Association to indemnify any Member or Owner of a Unit who is or has been an Officer or Director of the Association with respect to any duties or obligations assumed or liabilities incurred as a Member or Owner of a Unit under the terms of the Declaration.

ARTICLE XV  
AMENDMENTS

Section 1. Amendment. These Bylaws may be amended, at a regular or special meeting of the Members, with a quorum present, by a vote of Members owning at least sixty-seven percent (67 %) of the Units present in person or by proxy, except that the said Declarant reserves the right, until the Period of Declarant Control is terminated, but without the vote of the Owners, to make amendments to these Bylaws as may be necessary to correct typographical errors or make clarifications, and provided further, that no amendment to these Bylaws shall be contrary to or inconsistent with the provisions of the Declaration. Any such amendment by Declarant will be mailed to each Owner.

Section 2. Conflicting Provisions. In the case of any conflict between the Articles and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In the event of any ambiguity herein, these Bylaws shall be interpreted so as to be in compliance with the Act or other applicable statutes or laws and shall not be amended or modified so as to be in conflict with any statute or law.

ARTICLE XVI  
FISCAL YEAR

Unless the Board of Directors determines otherwise, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

**IN WITNESS WHEREOF**, we, being all of the Directors of the Highway 24 Eastgate Condominium Association, Inc., hereby execute these Bylaws this 20th day of February, 2009.

\_\_\_\_\_  
James E. Whidden, III, President

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Mary P. Adams, Secretary / Treasurer

CERTIFICATION

I, Mary P. Adams, do hereby certify that I am the duly elected and acting Secretary of the Highway 24 Eastgate Condominium Association, Inc., a Colorado Nonprofit Corporation, and that the foregoing Bylaws constitute the original Bylaws of said Corporation, as duly adopted by the Board of Directors thereof.

\_\_\_\_\_  
Mary P. Adams, Secretary

\_\_\_\_\_  
Date