

BY-LAWS OF

GOVERNOR'S ABBEY CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Object

1. The purpose for which this non-profit corporation is formed is to govern and administer that condominium property situate in the City and County of Denver, State of Colorado, known as Governor's Abbey Condominiums which property has been submitted to the provisions of the Condominiums Ownership Act of the State of Colorado by recorded Condominium Declaration of Easement Restrictions and Covenants ("Declaration").

2. All present or future owners, their family members, guests, invitees, tenants, and any other persons who come upon or use such property in any manner are subject to the regulations set forth in these By-Laws. Acquisition of a fee, leasehold or other interest in or the mere occupancy of any of the condominium units of the project or a portion thereof, hereinafter referred to as "units," shall constitute ratification and acceptance of these By-Laws and an agreement to comply herewith.

ARTICLE II

Membership, Voting, Quorum, Proxies

1. Membership. Membership in this Association, except for the membership of the First Board of Managers, shall be limited to record owners (including a purchaser in possession under a recorded installment land contract) of the condominium units and shall be subject to the Declaration. One membership in the Association shall be issued to the record owner of each condominium unit. The record owners of all condominium units collectively shall constitute all the members. In the event any such unit is owned by two or more persons, whether by joint tenancy, tenancy in common, or otherwise, the membership as to such condominium unit shall be joint and a single membership for such unit shall be issued in the names of all the owners, and they may designate to the Association in writing from time to time, one person who shall hold the membership and have the power to vote said membership. Similarly, in the event any unit is owned by a corporation, partnership, or other entity not a natural person, the membership shall be in the name of such owner, which owner may from time to time in writing designate the natural person who shall have the power to vote such membership. No membership shall be issued to any other person or persons except as they may be issued in substitution for outstanding memberships assigned to new record owners of condominium units.

2. Transfer of Membership. A membership in the Association and the share of a member in the assets of the Association shall not be assigned, encumbered or transferred in any manner except as an appurtenance to transfer of title to the Condominium Unit to which the membership pertains; provided, however, that the rights of membership may be assigned to the holder of a mortgage, deed of trust, or other security instrument on a Condominium Unit as further security for a loan secured by a lien on such Condominium Unit. A transfer of membership shall occur automatically upon the transfer of title to the Condominium Unit to which the membership pertains, but the Association shall be entitled to treat the person or persons in whose name or names the membership is recorded on the books and records of the Association as a member for all purposes until such time as evidence of a transfer of title, satisfactory to the Association, has been submitted to the Secretary. A transfer of membership shall not release the transferor from liability for obligations accrued incident to such membership prior to such transfer. In the event of dispute as to ownership appurtenant thereto, title to the Condominium Unit, as shown in the records of the Clerk and Recorder of the City and County of Denver, Colorado, shall be determinative.

3. Voting. Each condominium unit shall have allocated to it one vote.

4. Cumulative voting. Cumulative voting is prohibited.

5. Quorum. The presence either in person or by proxy of at least fifty-one percent of the proportionate voting strength of all members shall constitute a quorum of the Association for all purposes unless the representation of a larger group shall be required by law, by the Articles of Incorporation, by the Declaration, or by these By-Laws, and in that event representation of the number so required shall constitute a quorum.

6. Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. A proxy shall expire eleven months after the date of its execution unless otherwise provided in the proxy.

7. Voting. A majority vote of Members present at the meeting (unless a different percentage is specified elsewhere herein or in the Condominium Declaration) shall be sufficient to transact normal business.

### ARTICLE III

#### Administration

1. General. The Association shall administer the property subject to such Declaration through a Board of Managers as herein provided.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Managers may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held within 90 days after Declarant, as defined in the Declaration, has conveyed 51% (11 units) of the condominium units. Thereafter, the annual meetings of the Association shall be held as the Association may by majority vote approve. At such meetings, there shall be elected a Board of Managers in accordance with the requirements set forth herein. The Association may also transact such other business of the Association as may properly come before it.

4. Special Meetings. Special meetings of the Association for any purpose or purposes other than those regulated by statute may be called for by the President as directed by resolution of the Board of Managers, or upon a petition signed by 40% of the members of the Association. Such petition shall state the purpose or purposes of such proposed meeting. No business shall be transacted at a special meeting except as stated in the notice thereof unless by consent of members holding 75% of the voting strength of the Association, either in person or by proxy.

5. Notice of Meetings. The President or Secretary shall give or cause to be given notice of the time, place and purpose of holding each annual or special meeting by mailing or hand delivering such notice at least ten days but not more than fifty days prior to such meeting to each Association member at the respective addresses of said members as they appear in the records of the Association.

6. Adjourned Meetings. If Association members constituting a quorum shall fail to attend in person or by proxy at the time and place of meetings, the Chairman of the meeting, or a majority of the voting strength of the Association members present in person or by proxy, may adjourn the meeting from time to time until the requirements of a quorum are met. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting.

7. Waiver of Notice. Any member may at any time waive any notice required to be given under these By-Laws, by statute or otherwise, and the presence of a member in person at any meeting of the members shall be deemed such a waiver.

8. Action of Members Without a Meeting. Any action required to be taken, or any action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof.

9. Order of Business. At meetings of the Members the order of business shall be:

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of directors, if applicable
- (g) Unfinished business
- (h) New business

10. Performance of Functions by Declarant. The rights, duties and functions of the Association and Board of Managers shall be exercised by the Declarant until the election of the Board of Managers and Officers as provided herein.

#### ARTICLE IV

##### Board of Managers

###### 1. Number and Qualification.

(a) The affairs of this Association shall be governed by a Board of Managers consisting of not less than three (3) nor more than five (5) members of the Association; provided, however, that the persons named in the Articles of Incorporation shall act in such capacity until the first annual meeting of the Association or until their successors are elected, whichever shall later occur.

(b) Where a member of the Association is other than a natural person, it may designate one of its officers, principals, partners or agents who shall be entitled to serve on the Board of Managers in lieu of the member organization.

(c) Notwithstanding any provision herein to the contrary, the spouse of a member of the Association (not a member himself) may act as a member of the Board of Managers in the place and stead of his member spouse at the insistence and pleasure of such member spouse.

2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law, by the Articles of Incorporation, by the Declaration or by these By-Laws directed to be exercised and done by the members. The Board of Managers shall have authority to designate and remove any and all personnel necessary or by the Board deemed reasonable or prudent to operate, maintain, repair and replace the common elements and otherwise to deal in connection therewith as provided in the Declaration. The powers of the Board of Managers shall include, but not be limited to, all of the rights and duties of the Board as set forth elsewhere in these By-Laws, the Articles of Incorporation and the Declaration. The Board of Managers shall also have the power, by vote of a majority of the members of the Board to promulgate and to amend from time to time such administrative rules and regulations pertaining to such rights and duties as may be deemed by the Board to be necessary, prudent or proper and which are consistent with the foregoing. The Board of Managers may delegate such duties as appear in the best interests of the Association and to the extent permitted by law.

The Board of Managers may, on contract, delegate the routine operation and management of the Association affairs to a Manager to be selected by the Board. Such Manager shall be responsible to the Board, and shall submit a comprehensive report on his activities at each annual meeting. Appointment of a Manager shall not relieve the Board of any of the responsibilities of such Board pursuant hereto, to the Articles of Incorporation or to the Declaration.

3. Election and Term of Office. The term of the Managers named in the Articles of Incorporation shall be until the first annual meeting of the Association. Their successors shall be elected at the first annual meeting of the members of the Association. At the first annual meeting the

term of office for one Manager, but no more than two (2), shall be fixed for one (1) year, the term of office for (1) Manager, but no more than two (2), shall be fixed for two (2) years; and the term of office for one (1) Manager but no more than two (2), shall be fixed for three (3) years. Thereafter the term of office for all Managers shall be three (3) years. The number of Managers may be altered from time to time by the action of the members of the Association holding a majority of the voting strength in the Association at any regular or special meeting called for such purpose. In the event of any increase in the number of Managers in advance of the annual meeting, each additional Manager shall be elected by the then Board of Managers and hold office until his next successor is elected at the next annual meeting. A Manager shall continue in office after the expiration of his term, until his removal, or until his successor is elected.

4. Vacancies. Vacancies on the Board caused by any reason shall be filled by vote of a majority of the remaining Managers even though they may consist of less than a quorum and each member so elected shall be a Manager until his successor is duly elected by the members of the Association at the next annual meeting or special meeting called for such purpose.

5. Removal of Managers. Except for the Managers comprising the first Board of Managers, at any regular or special meeting of the Association, any one or more of the Managers may be removed with or without cause at any time by the affirmative vote of members holding seventy-five percent of the voting strength in the Association and a successor may then be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the members of the Association shall be given an opportunity to be heard at the meeting.

6. Compensation. No compensation shall be paid to Managers for their services as Managers. No remuneration shall be paid to a Manager for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Managers before the services are undertaken.

7. Organization Meeting. The first meeting of a newly elected Board shall be held within thirty days of election at such time and place as shall be fixed at the meeting at which such Managers were elected; no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting.

8. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least one meeting shall be held during each fiscal quarter. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least ten days prior to the day named for the meeting.

9. Special Meetings. Special meetings of the Board of Managers may be called by the President on seven days' notice to each Manager, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice upon the written request of two (2) or more Managers.

10. Waiver of Notice. Before, at or after any meeting of the Board, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum. A majority of the Board of Managers shall constitute a quorum for the transaction of business, but if at any meeting of the Board there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

12. Adjournments. The board of Managers may adjourn any meeting from day to day or for such other time as may be prudent or necessary in the

interest of the Association, provided that no meeting may be adjourned for a period longer than thirty days.

13. Action of Managers Without a Meeting. Any action required to be taken, or any action which may be taken, at a meeting of the Managers, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Managers entitled to vote with respect to the subject matter thereof.

14. Resignation. A director may resign his office by written resignation which shall become effective without acceptance upon delivery to any officer of the Association.

15. Voting. A majority vote of Managers (unless a different percentage is specified elsewhere herein or in the Condominium Declaration) shall be sufficient to transact normal business.

## ARTICLE V

### Officers

1. Designation. The principal officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers. The Managers may appoint an Assistant Secretary and an Assistant Treasurer, and such other officers as in their judgment may be necessary, such officers need not be Managers or members of the Association.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers, at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He or she shall preside at all meetings of the members and of the Board of Managers. He shall have all the general powers and duties which are normally vested in the office of the president of a corporation, including but not limited to the power to appoint committees from among the members from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

5. Vice-President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such duties as shall from time to time be imposed upon him by the Board.

6. Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Managers; he shall have the custody of the Seal of the Association; he shall have charge of the membership books and such other books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to him by the Board or the President.

7. Treasurer. The Treasurer (who may also be the Secretary) shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate records of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board; provided, however, that the Treasurer may delegate routine bookkeeping, including the duties of depositing and withdrawing Association funds and of maintaining records of

receipts and expenditures affecting the general and limited common elements to a Manager appointed by the Board.

8. Compensation. No compensation shall be paid to officers for their services as officers. No remuneration shall be paid to an officer for services performed by him for the Association in any other capacity, unless a resolution authorizing such remuneration shall have been adopted by the Board of Managers before the services are undertaken.

9. Holding Over. An officer shall continue in office after the expiration of his term until his successor is elected or until his removal.

10. Resignation. An officer may resign his office by written resignation which shall become effective without acceptance upon delivery to any officer of the Association.

## ARTICLE VI

### Indemnification of Officers and Managers

The Association shall indemnify every Manager or officer, his heirs, executors, administrators, and representatives against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit, or proceeding to which he may be made a party by reason of his being or having been a Manager or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Manager or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VI shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a manager or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration as a member or owner of a condominium unit covered thereby.

## ARTICLE VII

### Corporate Seal

1. The Board of Managers shall provide a suitable corporate seal containing the name of the Association, which seal shall be in the custody and control of the Secretary.

2. A duplicate seal may be kept and used by such officer and the attestation by such officer or any assistant secretary or other officer of the Association shall be conclusive as to the validity of the seal, duplicate or any facsimile thereof.

## ARTICLE VIII

### Amendment of By-Laws

1. Amendment by the Members. These By-Laws may be amended by the affirmative vote of members holding three-fourths of the voting strength in the Association at any validly constituted regular or special meeting called for such purpose. Amendments may be proposed by the Board of Managers or by a petition signed by members holding a majority of the voting strength in the Association. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such

proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the Declaration.

2. Amendment by the Managers. These By-Laws may be amended by the affirmative vote of a majority of the Board of Managers at any validly constituted regular or special meeting called for such purpose; provided, however, that such amendment by the Board of Managers shall not conflict with any amendment previously approved as above provided by the members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment shall be voted upon. These By-Laws may not be amended insofar as such amendment would be inconsistent with the recorded Declaration.

3. Compliance with Statute. No amendment shall be enacted which shall have the effect of deleting from these By-Laws any provision required by statute, unless such requirement may under such statute, be provided in the Declaration and is so provided.

4. Rights of Mortgagees. Any amendment which materially effects the security interest of first mortgagees shall require the written consent of all such first mortgagees.

## ARTICLE IX

### Assessments

1. Assessments. Assessments shall be filed, levied, paid and collected in the manner and for the purposes specified in the Declaration and except as is otherwise provided in the Declaration, all owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to the provisions of the Declaration. Assessments shall be due in advance on the date stated in the notice thereof, or otherwise as may be determined by the Board of Managers or the Declaration. Contributions for assessments shall be prorated if the ownership of a condominium unit commences on a day other than the first day of the assessment period. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

## ARTICLE X

### Conveyances and Encumbrances

Corporate property may be conveyed or encumbered by authority of the Board of Managers or such other person or persons to whom such authority may be delegated by resolution of the Board, provided, however, that if the Association acquires a unit subject to the Declaration, sale thereof shall not be made without the approval of holders of seventy-five percent of the voting strength of the association at a validly constituted meeting, the notice of which refers to such proposed sale, and the members at such meeting may impose such conditions on such proposed sale as they deem appropriate. Conveyances of encumbrances shall be by instrument executed by the President and to which the seal of the Association shall be affixed and attested to by the Secretary or the Treasurer or an Assistant Secretary or Assistant Treasurer, or executed by such other person or persons to whom such authority may be delegated by the Board.

## ARTICLE XI

### Association - Not For Profit

1. Association - Not For Profit. This Association is not organized for profit. No member, member of the Board of Managers, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to or distributed to,