

BYLAWS  
OF  
MILESTONE CANYON PROFESSIONAL CENTER ASSOCIATION

ARTICLE I. NAME AND LOCATION

The name of this nonprofit Corporation is Milestone Canyon Professional Center Association, hereinafter referred to as the “Association.” The principal office of the Corporation shall initially be located at 1027 Pinnacle Place, Fort Collins, Colorado 80525, but meetings of Members and Directors may be held at such places within the state of Colorado, County of Larimer, as may be designated by the Executive Board.

ARTICLE II. DEFINITIONS

“Act” shall refer to the Colorado Common Interest Ownership Act (Colorado Revised Statutes 38-33.3-101 et. seq.), as amended from time to time.

“Association” shall mean and refer to Milestone Canyon Professional Center Association, its successors and assigns.

“Common Area” shall mean all real property owned by the Association for the common use and enjoyment of the owners.

“Declarant” shall mean and refer to Milestone Canyon LLC, a Colorado Limited Liability Company, its successors and assigns.

“Declaration” shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for Milestone Canyon Professional Center recorded in the office of the Larimer County Clerk and Recorder, Colorado.

“Member” shall mean and refer to the property owners within the common interest community who shall be entitled to membership as provided in the Declaration.

“Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot within the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

“Property” shall mean and refer to the Lots (“Building Envelopes”) and Common Element described in the Declaration of Covenants, Conditions and Restrictions for Milestone Canyon Professional Center, which properties are know collectively as “Professional Center”, in Larimer County, Colorado.

### ARTICLE III. MEMBERSHIP

Every person or entity who is a record owner of a fee, or undivided fee, interest in any Lot within the Property including contract sellers, but not including contract purchasers, shall be a member of the Association. The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from ownership of any lot.

### ARTICLE IV. VOTING RIGHTS

4.1 Declarant's Rights. Declarant reserves the right to appoint and remove the officers and members of the executive board of the Association until the earlier to occur of the following: (a) sixty days after conveyance of seventy-five percent (75%) of the Lots within the Property to owners other than Declarant; or (b) two years after the last conveyance of a lot by Declarant in the ordinary course of business.

4.2 Transfer of Rights to Owners. Not later than sixty days after conveyance of one-fourth (1/4th) of the Lots within the Property to owners other than Declarant, at least one member and not less than twenty-five percent (25%) of the Members of the Executive Board must be elected by owners other than Declarant. Not later than sixty days after conveyance of fifty percent (50%) of the lots to owners other than Declarant, not less than thirty-three and one-third percent (33 1/3%) of the members of the Executive Board must be elected by owners other than Declarant.

4.3 Elections by Owners. Upon termination of the period of Declarant's control, the owners shall elect an Executive Board of at least two members, at least a majority of whom must be owners other than Declarant. To be eligible to be a member of the Executive Board, a Director must be an Owner who is not in violation of the Declaration. The Executive Board shall appoint the officers. The Executive Board and officers shall take office upon termination of the period of Declarant control.

4.4 Surrender of Declarant's Rights. Declarant reserves the right to voluntarily surrender Declarant's right to appoint and remove officers and members of the executive board before termination of the period of Declarant control set forth above, in which event Declarant may require, for the duration of the period of Declarant control set forth above, that specified actions of the Association or executive board, as described in a recorded instrument executed by Declarant, be approved by Declarant before they become effective.

### ARTICLE V. MEETINGS OF MEMBERS

5.1 Annual Meetings. The first annual meeting of the Members shall be held in July, 2005, and each subsequent regular annual meeting of the Members shall be held in February of

each year thereafter. 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.

5.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by a majority of the Board, or upon written request of Members who are entitled to cast at least thirty percent (30%) of the votes.

5.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by mailing a copy of such notice, postage prepaid, not less than ten (10) nor more than fifty (50) days before such meeting to each member entitled to vote thereat, addressed to the mailing address of each lot or to any other mailing address designated in writing by each lot's owner. Notices may also be hand-delivered. 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 these Bylaws, any budget changes, and any proposal to remove an officer of a member of the Board.

5.4 Quorum. A quorum shall be deemed present throughout any meeting of the Association if persons entitled to cast at least sixty-five percent (65%) of the votes are present, in person or by proxy at the beginning of the meeting. 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 to those Members present or represented. A majority of the votes entitled to be cast by the Members present, or represented by proxy at a meeting at which a quorum is present, shall be necessary to transact business and to adopt decisions binding on all Members.

5.5 Voting/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. Voting at meetings shall comply with Section 38-33.3-310 of the Act.

## ARTICLE VI. EXECUTIVE BOARD, SELECTION

6.1 Number. The affairs of the Association shall initially be managed by a board of two (2) Directors. The number of Directors may be enlarged or reduced from time to time but the Board shall be composed of at least two Directors. The number and selection of Directors elected by persons other than the Declarant shall comply with the provisions of Section 38-33.3-303 (6) of the Act.

6.2 Classification of Tenure. If the Board is composed of three Directors, the Directors are hereby divided into three classes. Each class will consist of one-third of the number of Directors then constituting the whole Board. The term of office for those of the first class shall expire at the annual meeting next ensuing. The term of office of the second class shall expire one year thereafter. The term of office of the third class shall expire two years thereafter. At each succeeding annual election, the Directors elected shall be chosen for a full term of three years to succeed those whose terms expire. In case of any increase in the number of Directors,

the additional directorships so created may be filled in the first instance in the same manner as a vacancy in the Executive Board.

6.3 Removal. Any Director may be removed from the Board, with or without cause, by a sixty-five percent (65%) 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.

6.4 Compensation. No Director shall receive compensation for any service 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.

## ARTICLE VII. NOMINATION AND APPOINTMENT OF DIRECTORS

7.1 Nomination. Until otherwise required by the Act, the Directors shall be appointed by the Declarant. Thereafter, and to the extent that Directors are to be elected by persons other than the Declarant, nominations for election to the Board shall be made from the floor at the annual meeting. Such nominations may be made from among Members or nonmembers.

7.2 Election. Election to the Board shall be by means of balloting as the Directors may determine by majority vote. 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 permitted.

## ARTICLE VIII. MEETING OF DIRECTORS

8.1 Regular Meetings. Regular meetings of the Executive Board may be held monthly without notice or on such other schedule as the board may determine at such place and hour as may be fixed from time to time by resolution of the Executive 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.

8.2 Special Meetings. Special meetings of the Executive Board shall be held when called by any two Directors, after not less than three (3) days notice to each Director.

8.3 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 Executive Board.

## ARTICLE IX. POWERS AND DUTIES OF THE EXECUTIVE BOARD

The Executive Board shall have the power to perform all the duties, obligations and responsibilities provided in the Covenants, Conditions, Restrictions and Easements for Milestone Canyon Professional Center and by law as well as those powers that are clearly implied in order carry out the intent of the Declaration and the Act.

## ARTICLE X. OFFICERS AND THEIR DUTIES

10.1 Enumeration of Offices. The offices of this Association shall be a President, a Secretary, and a Treasurer, and such other officers as the Executive Board may from time to time by resolution create.

10.2 Election of Officers. The election of officers shall take place at the first regular meeting of the Executive Board.

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

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

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

10.6 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.

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

### President

The President shall preside at all meetings of the Executive Board; shall see that orders and resolutions of the Executive Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and may co-sign all checks and promissory notes.

### Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Executive Board and of the Members; keep the corporate seal of the Association and affix it on all documents requiring said seal; serve notice of meetings of the Executive 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 law.

### 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 Executive Board; may sign all check and promissory notes of the Association; keep proper books of account; may cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; 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 XI. COMMITTEES

The Executive Board may appoint such committees as deemed appropriate in carrying out its purposes.

## ARTICLE XII. BOOKS AND RECORDS

The books, records and documents of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member or any mortgagee.

The Declaration, Articles of Incorporation, and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

## ARTICLE XIII. ASSESSMENTS

The Association shall have all rights and authorities granted it by the Declaration and the Act, to levy and collect assessments.

ARTICLE XIV. CORPORATE SEAL

The Association may elect to obtain a seal in circular form having within its circumference the words, "Milestone Canyon Professional Center Association, a Colorado Nonprofit Corporation."

ARTICLE XV. AMENDMENTS

15.1 These Bylaws may be amended, at any regular or special meeting of the Executive Board at which a quorum is present, by a vote of sixty-five percent (65%) of the votes present. Members must be given notice of such proposed amendment, as required by the Act.

15.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XVI. MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end of the thirty-first 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 Milestone Canyon Professional Center Association, have hereunto set our hands this 13<sup>th</sup> day of July, 2005.

  
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Rod Arndt, Director

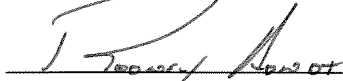
  
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Kip Tani, Director

CERTIFICATION

I, the undersigned, hereby certify:

THAT I am the duly elected and acting Secretary of Milestone Canyon Professional Center Association, a Colorado Nonprofit Corporation, and,

THAT the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Executive Board thereof, held on the 13<sup>th</sup> day of July, 2005.

  
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Secretary