



**BYLAWS OF THE
HIGHLAND PARK NEIGHBORHOOD ASSOCIATION, INC.,
A COLORADO NON-PROFIT CORPORATION**

1. Name, Offices and Meeting Places. The name of the corporation is the Highland Park Neighborhood Association, Inc., a Nonprofit Corporation, organized pursuant to the Colorado Nonprofit Corporation act, (hereinafter referred to as the "Association"). The initial address of the Association shall be 7075 Campus Drive, Suite 200, Colorado Springs, CO. 80920. Meeting places shall be as designated by the Board of Directors.

2. Purposes. The purpose for which the Association exists is to promote the common good and welfare of the ownership interests in the Highland Park Subdivision, El Paso County, Colorado. Specific purposes may include, but are not limited to: organization and operation of recreational and social facilities and activities; maintenance of trails, entrances, fences and other improvements, and administration and enforcement of the Highland Park Water Augmentation Plan exclusively for members of the Association, their families and guests; and exercise of related powers conferred upon the Association by law, and otherwise incident to its general purposes, including, but not limited to, enforcement of protective covenants pertaining to the related property owned by members of the Association.

3. Prohibited Activities. No part of the income or net earnings of the Corporation shall be distributable to, or inure to the benefit of its members, directors, officers, or any individual; provided, however, that reasonable compensation may be paid for any services rendered to the Corporation, and payments and distributions may be made in furtherance of the purposes set forth in Paragraph 2 hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions in these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income taxation under the provisions, applicable to this Corporation, of Section 501(c) of the Internal Revenue Code of 1954, as amended, (or the corresponding provision of any future United States or Colorado law).

4. Membership. Any person, persons or entity who is a record owner of a fee interest in any numbered lot within any present or future filing of the Highland Park Subdivision automatically becomes a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. The ownership requirement for membership is the sole requirement for membership. Membership is mandatory; it is appurtenant to and may not be separated from ownership of property. Each numbered lot of Highland Park property represents one membership unit with one vote per lot. No Owner shall have more than one (1) membership per lot. There are 52 lots in Highland Park filing 1, and a total of 158 lots are anticipated in all three filings; Little London, LLC (hereinafter referred to as "Developer") shall be entitled to one vote for each lot it owns.

5. Suspension of Voting Rights. If a member is in arrears in payment of dues and assessments levied by the Association for a period of thirty (30) days or more, he may not vote until such assessment has been paid. Membership rights also may be suspended, after notice and hearing, for violation of rules and regulations, if any, established by the Association. The length of time of such suspension shall be at the discretion of the Board of Directors. Suspension shall not relieve a member of the duty to pay dues and assessments pertaining to member's lot.

6. Rights. Each member and all members of his immediate family (spouse and dependents living with a member) shall be entitled to the use and enjoyment of any common areas and/or common facilities. Upon sale of the property by Deed or Contract, said membership passes to the new owner with all rights, privileges and obligations. The outgoing member shall notify the Secretary of the Association in writing of the name and address of the new owner.

7. Board of Directors. The Board of Directors shall manage the affairs of the Association.

a. Number and Membership. The number of directors shall be not less than three (3) nor more than five (5) unless changed by amendment of these Bylaws. The initial number of directors shall be three (3). For purposes of membership on the Board of Directors, individuals may serve on the Board if they are a members of the Association by virtue of individual ownership, or have an ownership interest in a partnership, joint venture, or corporation which is an owner, and

therefore a member of the Association, or are appointed by the Developer.

b. Election and Appointment. The initial Board of Directors shall be appointed in the Articles of Incorporation. At the organizational meeting of the Association, the Developer shall appoint three (3) directors, who need not be members of the Association. Such appointed directors shall serve for periods ending, respectively, at the effective day that a new director takes office as elected by the membership at the first, second and third annual membership meeting, the intent being to stagger terms for purposes of operating continuity.

At the first annual membership meeting, the membership shall elect from the membership of the Association one director for a three-year term. At the second and third annual meetings a second and third director shall be elected from the membership in a like manner. Election shall be by majority vote of the membership entitled to vote, and represented at the meeting in person or by proxy. Developer, at its sole discretion, may at any time relinquish its right to appoint any or all of the directors, in which event such director(s) shall be elected by majority vote of the membership entitled to vote. Until all lots Developer lots are sold and the Developer paid in full therefor, the Developer may retain at least one director position.

c. Term. The normal term for a director shall be three (3) years, with elections held for member-elected directors when their terms expire.

d. Removal. Any director appointed by Developer may be removed by Developer. Any director elected by vote of the membership may be removed by majority vote of the Association members entitled to vote. In the event of the death, resignation or removal of a director, his successor shall be selected in the same manner as the deceased, resigned or removed director was selected and shall serve for the remainder of the term of his predecessor.

e. Compensation. No director shall receive compensation for any services rendered; however, he may be reimbursed for actual expenses incurred in performance of duties.

f. Meeting of Directors shall be held when called by the President or by a majority of the directors, after no less than three (3) days notice to each director. An annual meeting of the Board of Directors shall be held without special call immediately following the annual membership meeting.

g. Quorum. A majority of the total number of directors shall constitute a quorum, and decisions by a quorum shall be binding on all members of the Association.

h. Duties. The Board of Directors shall keep corporate and financial records, and shall make annual reports to the members. They shall fix, change or amend the annual dues and assessments as required to provide the association with sufficient operating capital. They shall also provide for the maintenance of entrance signs, fencing and other amenities, if any.

i. Officers. There shall be a President, Secretary and Treasurer and such other officers as the Board of Directors may create. The position of Secretary and Treasurer may be combined. All officers shall be elected by the Board of Directors, and all officers shall be members of the Board of Directors. Officers shall serve until the next annual meeting of the Board, or otherwise until they resign or become disqualified to serve. The Directors shall fill any vacancy in an officer term, by appointment of a replacement officer to serve until the next annual Directors meeting.

j. Liability of Directors and Officers. Neither the Directors, Officers nor any persons acting therefor (other than independent contractors), shall be liable in damages to any person or entity by reason of any action, failure to act or any other circumstance taken as, or on behalf of, an Officer or Director of the Association. The previous sentence shall not apply where such acts are done in bad faith and with malice. The Association shall indemnify and hold harmless its officers, directors and employees while serving the Association in those capacities, unless such acts are done in bad faith and with malice.

k. Action by Members or Directors Without A Meeting. Any action required by the Colorado Non-Profit Corporation Code to be taken at a meeting of the members or directors of this Association, or any action which may be taken at a meeting of the members or directors, may be taken without a meeting if a consent in writing, setting forth the action so taken is signed by all of the members or all of the directors entitled to vote with respect to the subject matter thereof, as the case may be. This consent shall have the same force and effect as a unanimous vote.

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Doc \$0.00 Page

Rec \$20.00 3 of 4

8. Meeting of Members.

a. Annual Meeting. The first annual meeting shall be held at a time determined by the Developer, at Developer's sole discretion, or after one-hundred lots have been sold, on or about September 30, and each year thereafter in the same month and approximate date at the place and time set by the Board of Directors.

b. Special Meeting. Special meetings may be called at any time by the President or by the Board of Directors or upon written request of members entitled to vote one-fourth (1/4) of all of the votes of the membership.

c. Notice of Meeting. The Board of Directors will notify the membership of the meeting date, time and location at least fifteen (15) days prior to any meeting, special or annual.

d. Quorum. The presence at the meeting of members and/or of persons holding proxies entitled to cast one-half (1/2) of the eligible votes shall constitute a quorum for any action. If, however, such quorum shall not be present or represented at any meeting, the members present shall have the power to adjourn the meeting from time to time, without notice or other than announcement at the meeting, until a quorum shall be present or represented; or, in its sole discretion, the Board of Directors shall have the right to vote those votes of members who are not represented either in person or by proxy at any Association general membership meeting including the annual meeting and in such case the full membership entitled to vote shall be deemed present and, in such case, the absent members entitled to vote hereby grant to the Board of Directors their proxy to vote as provided in this subparagraph. These votes must be cast in the same proportions as the votes of the Association members present and represented by proxy. The purpose of this paragraph is to assure a quorum at any Association meeting, but at the same time to assure the rights and privileges of the Association membership. In the event of a tie vote, the matter at issue shall fail, a majority vote being necessary to approve the matter. If a tie vote involves an increase in dues solely for the maintenance of the augmentation plan, the increase shall be approved.

e. Proxies. Members may vote in person or by proxy at all meetings. Proxies shall be in writing and sent to the Secretary prior to the meeting.

f. Minutes. Complete Minutes will be kept of each meeting.

9. Assessments.

a. Purpose. The assessments shall be for the purposes as shown in paragraph 2.

b. Rate. Initial annual dues of \$200.00 per lot shall be payable at the time of purchase of each lot, and subsequently due on January 1 of each year thereafter. Dues may be adjusted on an annual basis by a majority vote of the then members. Lots unsold, or repossessed, belonging to the Developer, its successors or assigns, are non assessable, but carry one vote per lot. Owners shall have one (1) vote per lot owned. The dues and assessments for the year of sale by the developer shall not be prorated to the date of purchase, but shall be paid in full at closing.

c. Payment of dues and assessments to the Association, and cooperation with Association decisions and policies is a mandatory commitment which runs with property purchase and ownership. Periodic dues and/or assessments shall be required which must be promptly paid. The Association shall have a lien against all lots, the owners of which are delinquent in payment of dues and assessments levied by the Association, where such dues and assessments are in arrears by thirty (30) days or more. The Association is empowered to file such lien with the El Paso County Clerk and Recorder, and such lien shall run with the land; provided, however, that if such lot is repossessed by Developer, its successors or assigns, the lien shall become null and void and shall be hereby released at that time. Continued failure to pay such liens may result in foreclosure on the property/lot in order to enforce payment.

d. Yearly Due Date of Assessment and Penalty for Late Payment. All subsequent assessment payments shall become due and payable on January 1st of each year. The Association shall mail an annual notice of dues to each property owner in December of each year. A delinquent notice will be mailed on or about January 15th to those members whose dues have not been received by that date. Members who do not pay the annual dues by January 31 will be assessed a late fee of twenty (20) dollars per month for each month that dues are unpaid, and a lien will be placed against their lot as specified in paragraph 8.c., above. Costs of filing and releasing liens shall be paid by the lienee.

10. Amendments. The Bylaws may be amended by the Board of Directors at any duly called meeting of the Board of Directors as the need shall arise except as noted below; however, such amendments must be approved by a majority vote of those members present and represented in proxy at the next annual meeting or they shall become ineffective as of the date of the annual meeting. The Board shall not be held liable for any damages resulting from any changes they make to the Bylaws that are within their authority, but not subsequently approved by the Association general membership, unless such action can be shown to be willful and wanton. The Board shall not have the power to amend the Bylaws in regards to the Association voting rights or voting procedures; voting rights and procedures as set forth in the Bylaws can only be changed by an affirmative vote of at least two-thirds of the votes cast in person or by proxy at a Highland Park Neighborhood Association membership meeting, and upon approval of the Developer.

11. Fiscal Year. The fiscal year shall coincide with the calendar year except the first fiscal year shall begin on the date of incorporation and end on December 31 of that year.

12. Distribution of Assets. In the event of dissolution of the Corporation, the property and assets thereof remaining, after providing for all obligations and liabilities of the Corporation, shall then be disposed of exclusively for the purposes of the Corporation in such manner, or to such organization or organizations exempt from taxation under Section 501(c) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States or Colorado law), as shall be determined by the Board of Directors.

IN WITNESS WHEREOF, we, being all of the directors of Highland Park Neighborhood Association, Inc., have hereunto set our hands this 30th day of May, 2000.

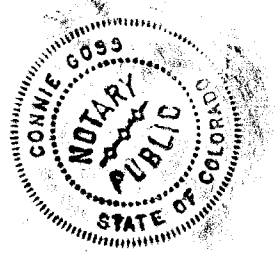
Kenneth H. Barber Marjie B. Mehlis
Kenneth H. Barber Marjie B. Mehlis

Douglas H. Barber
Douglas H. Barber

STATE OF COLORADO
ss: The foregoing document was acknowledged before me this
COUNTY OF EL PASO 31 day of May, 2000 by Kenneth H. Barber,
Marjie B. Mehlis and Douglas H. Barber.

My commission expires 7-26-02. Connie Goss
Notary Public

Recorded in El Paso County, Colorado
Reception Number _____
Date: _____



J. Patrick Kelly El Paso Cty, CO 200068419
06/13/2000 04:26
Doc \$0.00 Page
Rec \$20.00 4 of 4