

(*Margaret Street*)

BY-LAWS
OF
VILLA del ORO CONDOMINIUM OWNERS ASSOCIATION, INC.

ARTICLE I
OFFICES

The principal office of the corporation shall be 500 First National Bank Building, Grand Junction, Colorado.

ARTICLE II
MEMBERSHIPS

1. Memberships. There shall be one membership in the corporation for each Condominium Unit, as defined in the Declaration - Villa del Oro Condominiums (hereinafter referred to as "Declaration") recorded in the records of the County Clerk and Recorder of Mesa County, Colorado, and the memberships shall have the percentage vote as is set forth therein. No person or entity other than an owner of a Condominium Unit may be a member of the corporation.
2. Transfer of Membership. A membership in the corporation and the share of a member in the assets of the corporation shall not be assigned or transferred except as provided in the Declaration, as amplified by the Articles of Incorporation of Villa del Oro Condominium Owners Association, Inc. (hereinafter referred to as "Articles of Incorporation"). The corporation 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 corporation as the member until such time as evidence of a transfer of title, satisfactory to the corporation, has been submitted to the Secretary.
3. Voting Rights. Where the vote of the members is required or permitted by the statutes of Colorado, the Declaration, the Articles of Incorporation or these By-Laws, any one of co-owners of a membership present or represented by proxy shall be accepted automatically by the corporation as the agent and attorney in fact for other co-owners not present or represented by proxy, for the purpose of casting the percentage vote of that membership. Voting by proxy shall be permitted. Proxies must be executed in writing by the owner or co-owner or his duly authorized attorney-in-fact and must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid after eleven months from the date of its execution unless otherwise provided in the proxy. The corporation may suspend the voting rights of a member for failure to comply with rules or regulations of the corporation or for failure to comply with any other obligations of the owners of a Condominium Unit under the Declaration.
4. Annual Meeting. An annual meeting of the members for the

purpose of voting on such matters as properly may come before the meeting shall be held on the third Saturday in January of each year at a convenient location in Mesa County, Colorado, to be selected by the Board of Managers. Managers shall be elected at each annual meeting.

5. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Managers or by written request of ten per cent or more of the members and shall be held at a convenient location in Mesa County, Colorado, to be selected by the persons calling the meeting.

6. Notices; Waiver. Notices of annual and special meetings of the members must be given in writing and must state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. Such notices shall be delivered not less than 10 nor more than 50 days before the date of the meeting, by or at the direction of the President, or the Secretary, or the persons calling the meeting, and shall be given to each owner or co-owner of a membership entitled to vote at such meeting.

Written waiver of notice signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

7. Quorum; Vote Required; Adjournment. One-half of the votes, represented in person or by proxy, shall constitute a quorum at any meeting of members. If a quorum exists, the action of a majority of the votes present or represented by proxy shall be the act of the members. If a quorum does not exist, a majority of the votes present in person or by proxy may adjourn the meeting from time to time without further notice other than announcement at the meeting.

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 owners and co-owners of memberships entitled to vote with respect to the subject matter thereof.

ARTICLE III BOARD OF MANAGERS

1. Number. The Board of Managers shall consist of three members. The number of managers may be increased or decreased by amendment of these By-Laws; provided, however, that the number of managers shall not be reduced to fewer than three, nor increased to more than seven; and, provided further, that no decrease in the number of managers by amendment of these By-Laws shall have the

fect of shortening the term of any incumbent manager.

2. Qualification; Election; Term. Members of the Board of Managers shall be elected from among the Unit owners by the members of the corporation at their annual meeting. At the first annual meeting, the members shall elect one manager for a term of one year, one manager for a term of two years, and one manager for a term of three years; and at each annual meeting thereafter, the members shall elect one manager for a term of three years such that the term of at least one-third of the members of the Board shall expire annually.

3. Removal; Resignation. At any meeting of members, the notice of which indicates such purpose, managers may be removed in the manner provided in this paragraph. The entire Board of Managers or any lesser number may be removed, with or without cause, by a vote of a majority of the votes entitled to be cast at an election of managers. If less than the entire Board is to be removed, no one of the managers may be removed if a sufficient number of votes are cast against his removal, which, if then cumulatively voted at an election of the entire Board of Managers, would be sufficient to elect him. Any manager may resign by submitting a written notice to the Board stating the effective date of his resignation, and acceptance of the resignation shall not be necessary to make the resignation effective.

4. Vacancies. Any vacancy in the Board of Managers and any managership to be filled by reason of an increase in the number of managers may be filled by an affirmative vote of a majority of the remaining managers, though less than a quorum, of the Board. A manager selected to fill a vacancy on the Board shall hold office for the unexpired term of his predecessor in office. Any managership to be filled by reason of an increase in the number of managers may be filled by the Board of Managers for a term of office continuing only until the next election of managers.

5. Meetings. There shall be a regular annual meeting of the Board immediately following the annual meeting of the members of the corporation, and the Board may establish regular meetings to be held at such other places and at such other times as it may determine from time to time. After the establishment of the time and place for such regular meetings, no further notice thereof need be given. Special meetings of the Board may be called by the President, or, upon written request delivered to the Secretary of the corporation, by any two managers.

6. Notices; Waiver. Three days' notice of special meetings shall be given to each manager by the Secretary. Such notice may be given in person, orally, or in writing to each manager. Neither the business to be transacted at, or the purpose of, any regular or special meeting of the Board of Managers need be specified in the

notice or waiver of notice of such meeting.

Written waiver of notice signed by a manager, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a manager at any meeting shall constitute a waiver of notice of such meeting except when a manager attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7. Quorum; Vote Required; Adjournment. At any meeting of the Board, one-half of the number of managers acting and qualified, shall constitute a quorum for the transaction of business. The act of a majority of the managers present at a meeting at which a quorum is present shall be the act of the Board of Managers, except as otherwise specifically required by law, the Articles of Incorporation or these By-Laws. If a quorum does not exist, a majority of the managers present may adjourn the meeting from time to time without further notice other than announcement at a meeting.

8. 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. *

9. Executive Committee of Board of Managers. The Board of Managers, by resolution adopted by a majority of the managers in office, may designate and appoint an Executive Committee of the Board. The number of members of the Executive Committee and the persons who shall be members thereof shall be determined by the Board but the number of such members shall not be fewer than two. Unless limited by resolution of the Board, the Executive Committee shall have and exercise all the authority of the Board of Managers, except that such Committee shall not have the authority of the Board of Managers in reference to amending, altering, or repealing the By-Laws; electing, appointing or removing any member of such Committee or any officer or manager of the corporation; amending the Articles of Incorporation; restating the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the corporation; authorizing the voluntary dissolution of the corporation or revoking proceedings therefor; adopting a plan for the distribution of assets of the corporation; or amending, altering or repealing any resolution of the Board of Managers which by its terms provides that it shall not be amended, altered or repealed by such Committee. All of the provisions in these By-Laws with respect to notice of meeting of managers, quorum at such meetings, voting at such meetings and waivers of notice of such meetings shall be applicable to the meetings of the Executive Committee.

10. Compensation. By resolution of the Board of Managers, any manager may be paid any one or more of the following: His expenses, any, of attendance at meetings; a fixed sum for attendance at each meeting; or a stated salary as manager. No such payment shall preclude any manager from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE IV OFFICERS

1. General. The officers of the corporation shall consist of a President, one or more Vice Presidents, a Secretary, and a Treasurer, each of whom shall be appointed by the Board of Managers to serve for terms not exceeding three years as prescribed by the Board. The Board of Managers may appoint such other officers, agents, factors and employees as it may deem necessary or desirable. Officers shall be elected from the managers, owners or co-owners of memberships in the corporation except for the President, who shall be elected from, the Board of Managers. Any person may hold two or more offices simultaneously, except that the President shall not hold any other office.

2. President. The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Managers, shall direct, supervise, coordinate and have general control over the affairs of the corporation, and shall have the powers generally attributable to the chief executive officer of a corporation. The President shall preside at all meetings of the members of the corporation.

3. Vice Presidents. Vice Presidents may act in place of the president in case of his death, absence, inability or failure to act, and shall perform such other duties and have such authority as is from time to time delegated by the Board of Managers or by the President.

4. Secretary. The Secretary shall be the custodian of the records and of the seal of the corporation and shall affix the seal to all documents requiring the same; shall see that all notices are duly given in accordance with the provisions of these By-Laws and as required by law, and that the books, reports, and other documents and records of the corporation are properly kept and filed; shall keep minutes of the proceedings of the members, Board of Managers and Executive Committee; shall keep at the registered office of the corporation a record of the names and addresses of the owners and co-owners entitled to vote; and in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by the Board of Managers or by the President. The Board may appoint one or more Assistant Secretaries who may act in place of the Secretary in case of his death, absence, inability or failure to act.

5. Treasurer. The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the corporation,

shall deposit all such funds in the name of the corporation in such depositories as shall be designated by the Board of Managers, shall keep correct and complete books and records of account and records of financial transactions and condition of the corporation and shall submit such reports thereof as the Board of Managers may, from time to time, require; and, in general, shall perform all the duties incident to the office of Treasurer, and such other duties as may, from time to time, be assigned to him by the Board of Managers or by the President. The Board may appoint one or more Assistant Treasurers who may act in place of the Treasurer in case of his death, absence, inability or failure to act.

6. Removal of Officers. Any officer may be removed by the Board of Directors whenever in their best judgment the best interests of the corporation will be served thereby. A

7. Compensation. Officers, agents, factors and employees shall receive such reasonable compensation for their services as may be authorized or ratified by the Board of Managers. Appointment of an officer, agent, factor or employee shall not of itself create contractual rights to compensation for services performed as such officer, agent, factor or employee.

ARTICLE V

CONTRACTS, CONVEYANCES, CHECKS AND MISCELLANEOUS

1. Contracts. The Board of Managers may authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of the corporation, except as otherwise specifically required by the Articles of Incorporation or these By-Laws.

2. 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. Conveyances or encumbrances shall be by instrument executed by the President or a Vice President and by the Secretary or an Assistant Secretary, or executed by such other person or persons to whom such authority may be delegated by the Board.

3. Checks. All checks, drafts, notes and orders for the payment of money shall be signed by the President or a Vice President or the Treasurer, or shall be signed by such other officer of the corporation as shall be duly authorized by resolution of the Board of Managers.

4. Fiscal Year. The fiscal year of the corporation shall be January 1 to December 31.

5. Seal. The Board of Directors may adopt a corporate seal of such design as it may deem appropriate.

6. Non-Profit Status. The corporation is a non-profit corporation organized and established pursuant to Articles 20 through 29, Title 7, Colorado Revised Statutes, 1973, as amended.

7. Inspection of Records. Unit Owners and their mortgagees shall have the right to inspect the records of the Board of Managers, and be furnished with a statement of account as provided in Sections 8.8 and 8.10 of the Declaration.

8. Rules and Regulations. Administrative rules and regulations shall be adopted and amended as provided in Section 7.4 of the Declaration.

9. Recreation Facility. The sole recreation facility, which shall be available to all Unit Owners, consists of the swimming pool. No charges or fees shall be assessed for the use thereof in addition to the regular assessment.

ARTICLE VI
RIGHTS AND OBLIGATIONS OF THE CORPORATION
AND THE MEMBERS

1. Annual Assessments. The Board of Managers ^{See 8.2} shall fix, levy, and collect assessments in the manner and for the purposes specified in the Declaration, and the members shall pay assessments as therein provided.

2. Other Rights and Obligations. The Board of Managers and the members shall have such rights and responsibilities and perform such duties and obligations as are set forth in the Declaration or the Articles of Incorporation.

ARTICLE VII
AMENDMENTS

1. Articles of Incorporation. Amendments may be made to the Articles of Incorporation in the manner provided by law by vote of the membership of the corporation at any annual meeting or special meeting of the membership, provided, that the notice of such meeting states that such amendment is to be considered. Such amendments may also be made pursuant to voting by mail as herein provided.

2. By-Laws. These By-Laws may at any time and from time to time be amended, altered or repealed by the Board of Managers, or by vote of the membership of the corporation by mail or at any annual or special meeting provided that the notice of such meeting states that such amendment, alteration or repeal is to be considered and, further provided, notwithstanding amendment, the particulars required by the Colorado Condominium Ownership Act shall always be embodied herein.

3. Limitation on Amendments. No amendment of the Articles of Incorporation or of these By-Laws shall be contrary to or inconsistent with any provision of the Declaration.